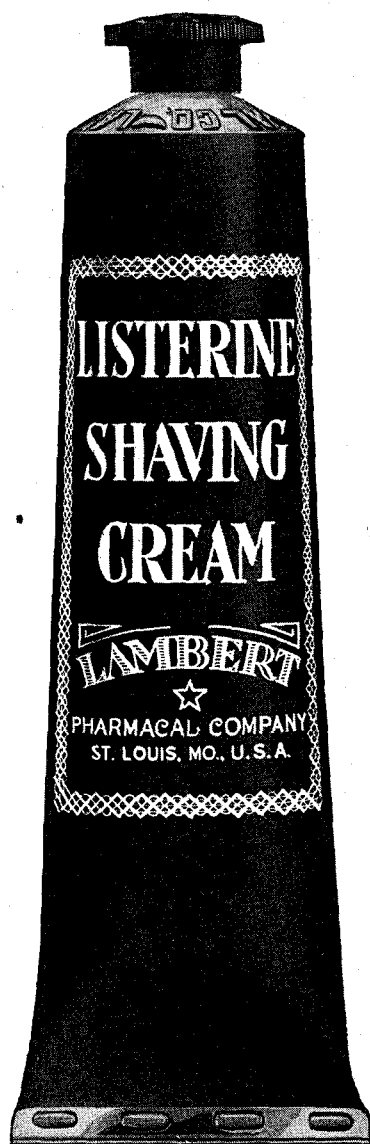


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Occupations— Today and Tomorrow By Berta Crone

IT IS TO THE INTEREST of every professional worker to consider the question how the money, now being returned to circulation, will be spent. Will this money be used only to set in motion the existing and now idle machinery of industrial organizations, commercial agencies and various institutions which, directly and indirectly, derive their revenue from private business enterprises? Within the recent past many of these organizations have put into effect economies which have seriously hampered, or have wholly destroyed, the opportunities for creative and professional work. This has resulted in a condition which, in some respects, is no better than what has happened recently in Germany; brain workers ("professionals") have been deprived of their means of livelihood—a situation which differs very little from what we find in America, where multitudes have been thrown out, perhaps with "two weeks" notice, into a vanishing, or closed, field of opportunity. The causes—political in the one case, economic in the other—differ, but the effect upon the unemployed individual is the same.

Thousands of professional workers, who were largely instrumental in the development of many industries (such as the telephone, the movies, the radio, the production and distribution of house furnishings, apparel, and so forth) are out of work. It is to be hoped, therefore, that those who are surveying the situation in the various branches of industry and commerce will give special consideration to the creation of new projects in whose development they will have to draw heavily upon this neglected group of workers. Should not, for example, such functions and departments as were formerly found to be useful, but which were discontinued as part of an economy program, be re-established? Ideas for service, for utilitarian purposes, for recreation and diversion which had previously been studied and partially tested and laid aside, should be developed. Many officers

and executives of certain organizations are aware of the need for the revitalizing force which some of these new ventures would afford. Instead of thinking this a period in which we should go back to the "good old days," an ideal which appeals strongly to some persons in days of adversity, they regard this as a time in which we must strive to go forward in the exploration of new ideas and new methods. Having stripped themselves, or having been stripped, of the frills of a prosperous era, such organizations are now ideally situated to plan new departments, new functions, new policies, without having to consider "overhead" and "duplication," as they did in 1929. Fortunately, most of these have skeleton organizations which can be easily adapted to the new situation and the new requirements.

Just now the world is full of ideas and suggestions—so full that it is a serious problem to cull the valuable from the worthless. But there is one idea which undoubtedly predominates over all others, to wit: cooperation. Competition, it seems to be agreed, hereafter must give way to cooperation. Some, who have the capacity to read the handwriting on the wall, have known this for a long time. But now the Administration at Washington itself decrees it in its program for the supervision and the control of industry. And if industrialists do not voluntarily cooperate within their own industry and with other industries, with a view to controlling production, stabilizing employment and serving the consumer at a fair price, they will be compelled to do so by the Government. This means a "new deal" for the Trade Association.

The cooperative activities of trade associations and the nature of their various functions furnish occupational opportunity for brain workers.

Trade Associations

The Government's program for the control of industry gives a fresh im-

(Continued on page 58)

Traveling With the News

JUNE. Our attention is diverted for a brief season from the immediate depression of our adult lives which we have been grimly facing to the youth of the world. June is the month of weddings, of flowers and of Commencements. Everywhere, universities are graduating thousands—upon thousands of young men and women—with what problems and prigrams are in some measure discussed in this issue of NEW OUTLOOK by C. W. Fowler, in "The Crisis of the Ph.D.," and in "Go Home, Young Man, Go Home," by Pare Lorentz. This jaded world needs Youth with its eagerness, its enthusiasm and its fresh outlook, as never before. But Youth too needs the guiding, tempering, experienced wisdom of maturity—as never before.

Amidst the avalanche of current news from Germany, we are informed that dueling has again been restored to the Universities. The privilege had been taken away from them as being inconsistent with the principles of a democratic form of society and government.

The minds of many of us revert to examples of that form of highly romantic comedy-drama of the "Alt Heidelberg" school, in which duels, beer drinking and love-making figured almost exclusively. Nor were they negligible, as some of us can tell.

How many of us who have visited Heidelberg of recent years have remained long enough to absorb some of the essentials of student life and practises, imbedded in which are so much of the philosophy and so many of the principles that have both guided and misguided the policies, the politics and the social ordering of the German Reich at the hands of a ruling class, in its formative undergraduate period? Some of us may remember the days when the swaggering university students actually pushed us off the sidewalks of Heidelberg. Things were all militaristic in those days. The military was omnipotent; these young future officers felt themselves more important than their military army. That was the whole social order that was rigidly reflected and practised in the university. It is mightily effective in a victorious war,—and vice versa.

As long as student dueling remained as a practise in the German university—no matter what happened in the political life and government of a temporarily-defeated German people—the nucleus of an Old Order continued to germinate; highly modified though it might be. Every student who passed through a German university was made either to feel a wound upon his face and be proud of it, or, if he happened to be a conscientious objecter,—to feel a wound upon his honor.

"But," we hear the reader say, "Dueling was abolished!" Yes, the *scharfe mensura*, that is, the duel with the sharp sword with intent to wound. But the duel of skill was allowed. Sub rosa to the authorities, the *scharfe mensura* went on too. There is a famous *gasthaus* across the bridge, a mile or two up the Neckar River, following the lovely Philosophenweg. We are now overlooking the town, the river, the magnificent ruins of the Castle. If the season is favorable, we sit at a table in the *biergarten*, drink deeply of Heidelberg's own famous brew and while waiting for the especially prepared meal, we ask to see the "dueling apartments."

The chief room is quite large. The walls and beams are literally hacked to pieces and liberally stained with blood, some of it quite fresh. Yonder is a closet half-filled with broken swords and basket-hilts, broken, nicked and hacked to bits. Here is the table on which the always-present surgeon laid the boys out, dressed and sewed up their wounds, gave them stimulants if they "passed out" altogether. And downstairs was the great room where they drank and sang lustily whether victorious, or defeated.

A Professor explained to me: "In my whole 25 years, there has not been a single fatal dueling affair within my knowledge. What if I say dueling takes the place of football in your universities in which there are usually a score of fatalities a year. From time immemorial men have been proud of their wounds and, contrary to common belief, they do not try to be wounded, but rather to wound their adversary. They are not really duels in the common sense

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of the word. Two great elements are present. Skill to defeat your opponent and courage to withstand the inevitable blow that comes some day. We even contend that the loss of a certain amount of blood tends to keep the student within leash. All the vital parts of face and body are, of course, protected. The opponents must stand in a fixed space from which the right foot never moves, or it spells defeat."

However, there are other and pleasanter aspects—as equally a part of the fabric and fibre of the German people—of the Teutonic University. I commend travelers seeking a novel and interesting experience, to happen in the neighborhood of Goettingen University about June 1st, if they would know what a German University Commencement is like.

Longfellow, J. L. Motley, Charles James Lever, George Bancroft, Edward Everett, Lord Haldane, ex-Ambassador J. G. Schurmann, were among the students of Goettingen. Furthermore, the University (Georgia Augusta, is its official name) was founded in 1737 by none other than His Majesty George II, Elector of Hanover, King of England (and her American Colonies). The inner town still has its 16th century half-timbered houses enclosed by ramparts and promenades. . . .

We remember being assembled in a stately chamber with all the other guests of honor, awaiting the coming of His Magnificence, the Rector of the University. We were variously clad—full evening dress predominating, frock coats, cutaways, "Smoking" (as the tuxedo is called). The only strict dress requirement was white gloves. We all wear our medals too (if we have them); Iron Cross, Pour la Merite, Golden Fleece and what not, for we are Generals, Admirals, Nobility, Mayors, High Government Officials, Herr Doctors and Professors, Nobel Prize Winners, and Nobodys veneered. The Chancellor wears his gold chain and saucerlike plaque presented by George II; the Lords Mayor wear their chains of insignia in black enamel and silver.

Word is brought in solemnly by Herr Sekretariat to His Magnificence that the audience has been assembled. We button our white gloves and fold our raiment like the Arabs and as silently steal away. Two by

two down the granite steps, we are marched. At length we enter the Aula and up front to the rows of red plush chairs that murmur Honor, the cynosure of all eyes. An orchestra of 50 pieces bursts into martial music.

But our glory and grandeur fades before the next spectacle, as two gentlemen in red robes and bonnets bearing golden maces, pave the way for real pageantry. Three representatives from each of the student Corps, one in the centre bearing a gold-fringed flag of their colors, the other two are guards of honor with drawn swords, tiny, saucy, saucer caps, worn at an acute angle over one ear, white gloves and tall patent-leather boots, broad sashes; each trio in some way differing from the others. . . .

Following these are a couple of hundred professors all in their velvet gowns with bishop's sleeves and velvet caps like French *avocats*. Finally, His Magnificence. The orchestra stops playing and we sit down. Around us are the more or less familiar portrait paintings of former Kings, including the one against whom we effectually revolted—all as German as sauerkraut! Beginning with George II of England, Duke of Cambridge and Hanover, and winding up with Wilhelm II of Prussia. There is a memorial bust on either side; of Hindenburg and of Bismarck. . . .

His Magnificence proves to be the whole show. He talks thereafter without particular eloquence—though frequently with a touch of humor that makes all but the most dried up laugh—for nearly three hours. His subject is deadly dry except for the title: "Water and Its Circulation on the Earth's Surface." The earth, the sea, vegetation, and finally the audience, were each exhausted in turn. For the first hour we looked profound; for the second, weary; for the third, desperate. We were looking forward to Part II, which proved to be a long address in purest Latin! Several Professors names were mentioned as recipients of special Honors, each with a fanfare from the orchestra and—so suddenly that it gave neither warning nor opportunity for proper dignity to at least two score of us who were soundly sleeping—we were yanked into line and found ourselves marching out again!

The Commencement was over.

We recall one other German University experience that was no less characteristic of the Germany that once was and today is largely again.

It was at the unveiling in Würzburg of the Memorial to the students who fell in the War. There was particular reference to those student battalions of undergraduates, most of them around 16 years of age, who had volunteered to stop the gap in the Vaterland's darkest hour—knowing full well that few of them would ever again return. Only a handful returned, and they were in line with their tattered banners and a single muffled drum.

A crowd of 100,000 persons stood with bared heads, in the rain—a two minutes' silence—a volley of musketry—the vast throng spread all over the park singing "Deutschland ueber Alles," while the five thousand representative members of student Corps from all parts of Germany clashed their raised swords.

Ah, but that wasn't the end—it never is of a solemn, or gala event in Germany. There *must* be a colation and beer-drinking! And there was. Fancy 5,000 of us at table—with several hundred women allowed the privilege only of looking proudly down upon us. Most of us were students of course, wearing the gay colors and dashing uniforms of their Corporations. Such a bowing and scraping and clicking of heels, saluting and doffing of caps, we never saw before! At regular intervals along the walls of the great hall are set up the beer fountains, or three huge barrels of beer and mountains of steins and glasses as high as a man's head, each barrel manned by three hefty men and two women. There is a constant thunder of bungs being smashed in new barrels. The band strikes up and we rise as 500 of the Corporation presidents enter in their gay uniforms and march to the platform with swords drawn. From then on, we sing and drink, drink and sing, rowelling our glasses on the wooden tables—always beginning and ending with "Deutschland ueber Alles!" Every uniformed student takes his pancake cap off his head and at the last verse raises it on high on the point of his sword. Here's a Germany you not only want to see, but be in the midst of, if you would catch some of her pride, of

(Continued on page 59)

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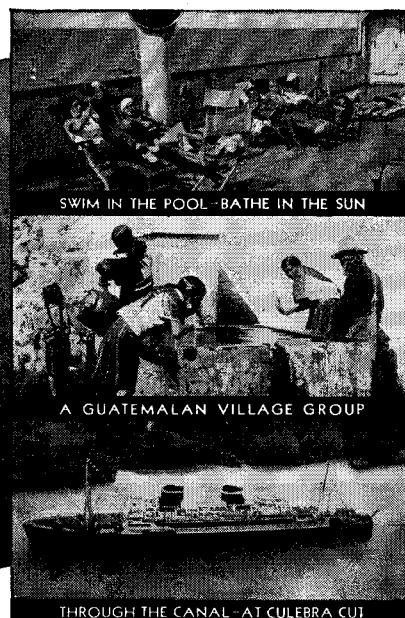
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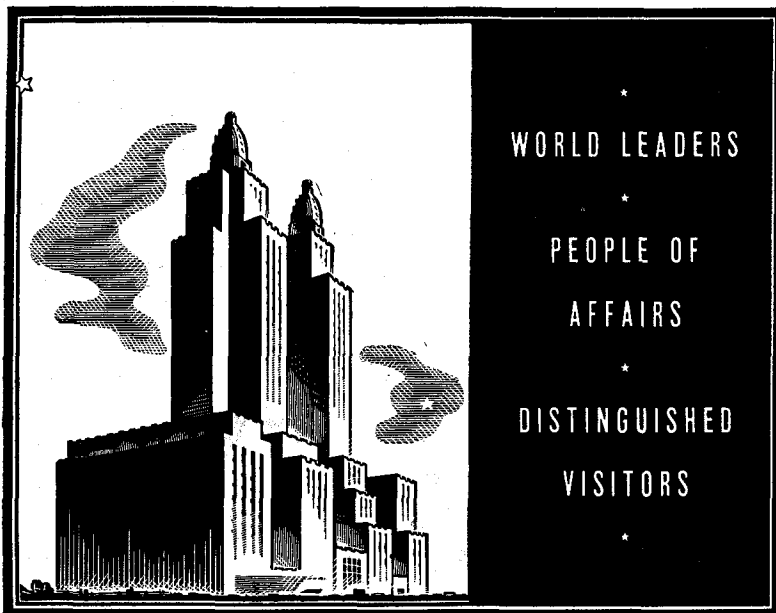
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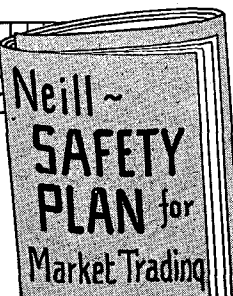
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Checklist of New Ideas

ON OUR NEXT WAR

It is our duty to detest and loath the people of the United States. There is no need to employ honey-coated words or high-sounding expressions. We must speak out frankly and without reserve. "Our enemy is the United States of America!" Arise! Exert yourselves! Prepare for the coming Japanese-American war. We must chastise our enemy, the United States of America.—*Lt. Gen. Kiokatsu Sato, Ret., Imperial Japanese Army.*

ON PEACE

At the same time I quite agree with the Bishop's assertion that at the bottom our troubles are spiritual, the solution of which is of the nature of a sacrament, the outward and visible sign of which is an efficient army and an unhampered navy.—*Letter in Yorkshire Post (England).*

ON AIRSHIPS

In reply to a question he (Captain Alger H. Diesel, commander of the U. S. S. Macon) said that he gained the impression from his studies that thunder storms were to be avoided by airships whenever possible.—*A. P. Washington Dispatch.*

ON WHAT HOPE DOES

I don't want to be too optimistic, but I do believe the tide has turned. It will start slowly, but when it ultimately begins to flow we shall see not only in Britain, but throughout the world, a degree of prosperity never before enjoyed by the human race.—*Sir Francis Goodenough, British Public Utility leader.*

ON THE EDUCATION OF OUR ELDERS

The schools were terribly barren in what they taught us. For instance, I was taught to bound Kansas, and where the Missouri River rose. Who cares where it rose? Rivers have a way of rising somewhere.—*Prof. Harry A. Overstreet, College of the City of New York.*

ON THE KELLOGG PACT

We are always ready to arbitrate, but we will not give up an acre of territory by force. We delayed the declaration of war at sacrifices to ourselves to give time for making peace, but Bolivia's answer was to bomb a hospital.—*Minister Enrique Bordenave, Speaking for Paraguay.*

NEW OUTLOOK

NEW OUTLOOK

ALFRED E. SMITH
Editor-in-Chief

FRANCIS WALTON
Managing Editor

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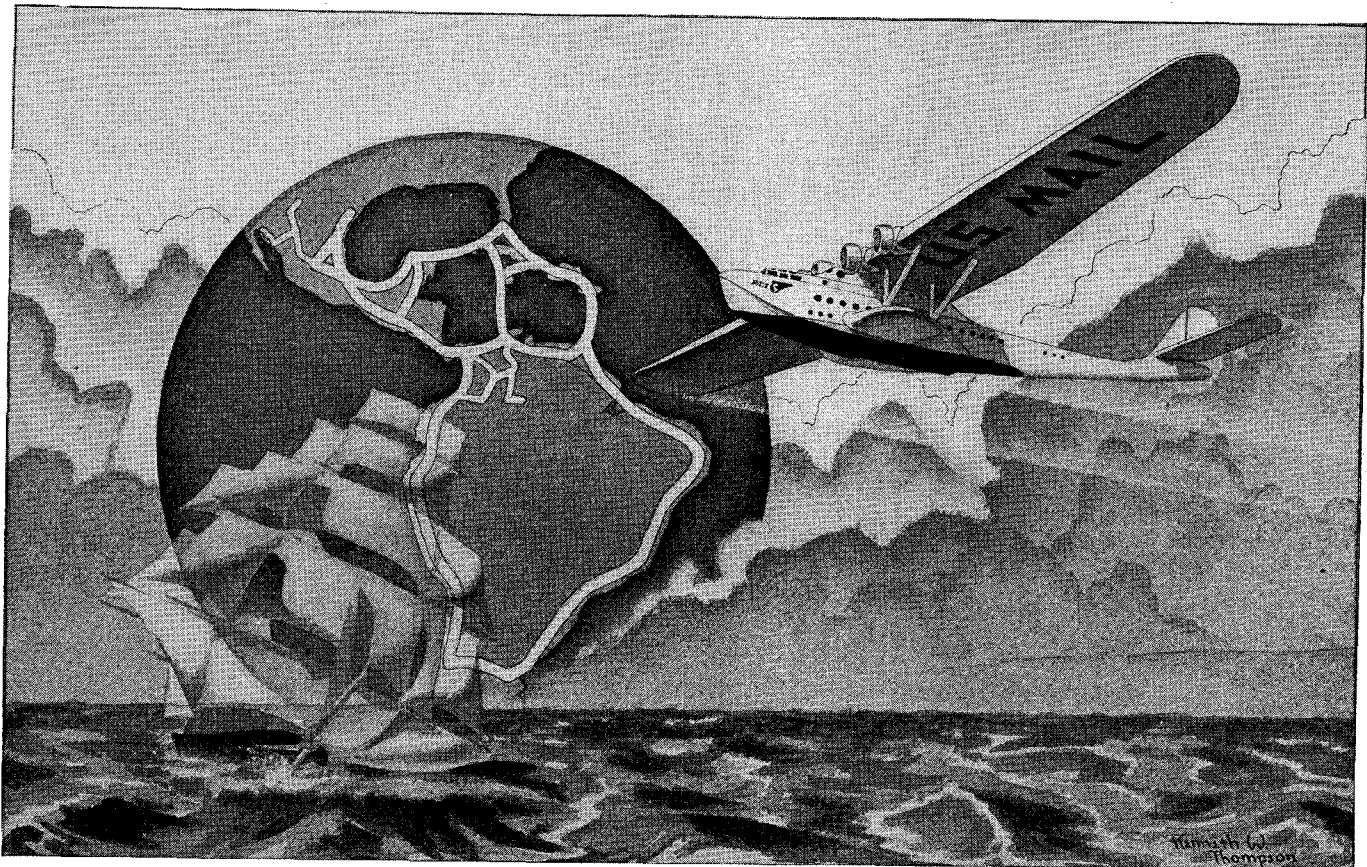
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Hitler and the Constitution



THIS COUNTRY has lived under a democratic Constitution since 1787. In 1789 the first ten amendments were adopted at the first session of the first Congress of the United States. These amendments are, in many respects, more fundamental than the Constitution itself, because they declare for freedom of religion, of speech and of the press, right of petition, freedom from search and seizure, trial by jury, freedom from excessive bail, excessive fines, and cruel and unusual punishments, and for local home rule, that is, the reservation to the people and to the states of all rights not specifically delegated to the Federal government.

Not only the bill of rights, which is the most sacred part of our Constitution, but all of its other provisions for a stable democratic union of free states, for separation and independence of the executive, legislative and judicial branches, for popular elections, and for freedom of individual initiative, have served this country admirably for close to a century and a half, bearing witness to the extraordinary soundness and foresight of the founders of this republic. We are one of the youngest nations, but our Constitution is today the oldest, soundest and the most satisfactory fundamental law of any nation in the world. It has so far survived every test of war and peace. It has met every great need of a country which has grown from a few scattered communities along the Atlantic seaboard to a great, populated continent with the Pacific Ocean for its frontier. It may at times seem inflexible and obsolete to those who cannot tolerate imperfections, and who insist that the law must be sufficiently elastic to meet every demand as soon as it arises. The methods of amending the Constitution may seem cumbersome, but recent experience has shown that we can adopt changes in our fundamental law fast enough, if the majority of people really want them.

It has been said that a nation can get along better without a written Constitution than with one. The only

evidence of this assertion is the record of the British Empire, and upon close analysis this evidence is not convincing. It is true that Great Britain has conducted an orderly and an essentially democratic government without a written constitution, largely by force of tradition, but this does not apply to the rest of the British Empire. The dominions and Ireland are living under constitutions just as we are in the United States, and these constitutions are all, to a large extent, modeled after ours.

There is no better way of measuring the benefits of constitutional, democratic government as exemplified in our experience, than by analyzing recent events in the late German Republic. The German Constitution showed numerous evidences of a study of our own fundamental law. It was assumed that what had, on the whole, worked so well here could be transplanted and made to flourish in Berlin, but the people of Germany were unable to live up to, or under it. They began by suspending important provisions, and ended recently by scrapping the entire document. The spirit and the letter of every provision of our bill of rights has been violated by the Hitler government. Freedom of religion, of speech, and of the press have been destroyed overnight. The right of people to be secure in their persons, houses, papers and effects against unreasonable search and seizure, has been wantonly violated. Civil rights and impartial judicial processes have been abolished. The home rule powers of the several independent and ancient states which united to make up the German Republic, and of their people, have been ruthlessly sacrificed to an arbitrary central authority. Government, business, the professions, the arts, the sciences and even religion itself must goose-step under the orders of the brown shirts. Democratic government, in the sense that we know it, has died with the German Constitution.

The greatest indictment which can be brought against the German people is that to date they have proved

themselves incapable of living under a democratic government, and that there is so little of the tradition of a free people among them, that order can be maintained only through the dictatorship of a Hitler. It is clear that the world has not yet been made safe for democracy.

TAXES AND THE DISAPPEARING RICH

AS THIS issue of NEW OUTLOOK goes to press, the debate is beginning on the kind of tax to be levied in connection with the new Federal public works bond issue. An additional income tax has been suggested, to be raised by lowering exemptions and increasing surtaxes and perhaps normal rates. An additional tax on gasoline has also been considered. More radical students of the problem hint that we must come to a levy on capital anyway, and that this would be a good opportunity to do it. Finally, there is the manufacturers' sales tax, rejected by the last Congress after being recommended by the Hoover Administration.

There is bound to be enormous opposition to increased income taxes, and the best opinion is that these taxes would do immeasurably more harm than good, and would almost certainly not produce the desired receipts. The same logic applies to increased inheritance taxes. A prize illustration of what has happened to the fortunes of the disappearing rich was recently called to the attention of the public in connection with the appraisal of the estate of the late Robert W. DeForest. Mr. DeForest was one of the leading citizens of New York. He not only inherited wealth, but increased it through his practice as a corporation lawyer and adviser on banks, railroads and other enterprises, and also as a shrewd purchaser of real estate. As a civic leader, art patron and philanthropist, Mr. DeForest was known throughout the country. When he died in May, 1931, his property was appraised at \$4,400,000. In March, 1933, the Surrogate's Court indicated that the estate had shrunk to \$164,000, a ninety-five per cent shrinkage in less than two years. One of the results of this shrinkage was that most of the public bequests to philanthropic institutions could not be paid. No doubt some of the property left by Mr. DeForest in outlying parts of the metropolitan section will come back in value if the family can afford to hold on to it for a number of years, but the moral of what has happened to this fortune, largely built up by an exceptionally useful citizen who never neglected his civic duties while he lived, and who tried to perpetuate his philanthropies in his will, should not be lost on the general public. There is such a thing as taxing income and inheritances out of existence, not to speak of discouraging the enterprise and usefulness of people like Mr. DeForest. His case constitutes the best kind of argument against levying additional income and inheritance taxes at this time.

In the proposed additional gasoline tax, we have another illustration of a form of tax which is being worked to death. The national and state governments have imposed all the toll on gasoline which it can stand at the present time without driving vehicles off the roads.

As to a capital levy, I cannot believe that this nation

has reached the stage of radicalism where such a proposal can even receive serious consideration.

The best and fairest of the new taxes proposed, the one which will produce the largest revenue with the least inconvenience, and the one which I devoutly hope will prevail, is the general manufacturers' sales tax. There never was any good reason for the defeat of this tax by the last Congress. It is thoroughly sound in principle. It is easily collectible and will visit no serious hardship on anyone. The present Congress has adopted a processing tax in connection with farm relief, which is nothing but a disguised, indirectly applied sales tax and one which goes into the pockets of only one class in the community and does not help the United States Treasury. The general manufacturers' sales tax, with the exemption of certain staples, is not class legislation. It meets the present need, and should be adopted.

MILK, A PUBLIC UTILITY

EVERYONE HAS AN INTEREST in the production and distribution of milk. A recent New York State statute has made milk a public utility. The New York State Milk Control Board was established as a temporary emergency measure to regulate a distributing system which has been paying the farmer a little over a fraction of a cent for milk which retails for ten cents or more in cities. The milk producers are one of the most harassed and desperate groups of farmers in the country. It was inevitable that the delayed creation of the Milk Control Board should result in an attempt by the producers to use the new temporary bureau as an instrument for solving all of their difficulties at once. This attempt took the form of a threatened milk strike, which at this writing has been settled, the Board recognizing the basic claims of the milk producers but refusing to be stampeded by threats of violence. The Board first fixed a minimum price of ten cents a quart on home delivered milk. Some militant farmers were not satisfied with this arrangement. They insisted that the Board also fix a minimum price to be paid to them. The Board has therefore fixed minimum prices to the farmers in the metropolitan area for milk sold in New York City allowing differentials for those in other zones. The net result is a small increase in price to the city consumer.

The New York experiment is worth careful watching. If we are permanently to treat milk as a public utility under the control of a State Board, the ideal to be achieved is one which embodies fairness not only to the producer, but to the distributor and consumer as well. The present huge discrepancy between price to the farmer and price to the ultimate consumer must be reduced, but the farmer cannot expect greatly raised prices for his product overnight. The problem is with an exceedingly complicated and obviously wasteful distributing system. Pretty nearly everyone is supposed to need milk. That is the constitutional theory back of making it a public utility. In practice, however, lots of people can get along without it or greatly reduce their ration. Milk may be the best all-around food in the world according to the experts, but in hard times people do not eat and drink according to physicians' prescriptions. They consult their pocketbooks. The best evi-

dence of this is that the per capita consumption of this supposedly essential commodity has dropped alarmingly since 1930 in all parts of the country. Obviously this drop has occurred because hundreds of thousands are no longer able to buy even at present depressed prices. If price increases to the farmers are simply passed on to the public, not even the farmer will benefit in the long run.

THE CRISIS IN RELIEF

TODAY WE ARE rapidly approaching a crisis in relief administration throughout the country. It has become practically impossible to collect substantial funds by public appeal for private donations. The next drive will not net a third of the sums collected in the last ones. For some time municipalities have been looking to states for additional relief funds through state bond issues, or otherwise. More recently the states have flocked to Washington with certificates of their Governors demanding that the Federal Government make up deficiencies in their funds. The first three hundred millions of Federal relief have been expended, and an additional five hundred million is now available on more liberal terms. Even the pretense of borrowing in the case of Federal relief funds has been abandoned, and the new five hundred millions is frankly, and unequivocally, a donation. The original three hundred millions was supposed to be repaid out of future Federal aid highway funds over a period of years—a transparent device for transferring money from one pocket of Uncle Sam's trousers to the other, so as to create the appearance of a balanced budget.

The latest blow to local relief is the inability of municipalities to sell their relief bonds on any basis whatever. Fear of inflation and other causes have simply dried up the demand for these bonds. The result is that bankers refuse to buy them. This refusal is being met by the charge that the bankers are bluffing, and that they must somehow buy relief bonds, even if they hesitate to buy municipal bonds, or loan money for current expenditures, or for refunding operations. The wiseacres say that the bankers cannot refuse to take care of relief, because if they do, workless and starving multitudes will break out into all kinds of violence, and help themselves to necessities which they cannot obtain in any other way. There may be some truth in this, but it is difficult to see how bankers can be forced to buy bonds which the public will not take off their hands. There are already a number of cases of perfectly solvent communities with no great debt, whose bonds have always been good, but which at the present time are unable to sell a security of any kind for any purpose. In such cases recourse is first to the state, and then to the Federal government. Unfortunately, many states are unable to supply additional funds for relief. In New York, for example, there will be no additional funds available until a new relief bond issue has been approved by the people next November. In such cases the Federal government is left holding the bag, and it is clear that unless a substantial gain is registered in private employment, or through the new Federal public works bond issue, the five hun-

dred millions of additional Federal relief money will be rapidly exhausted.

The situation is further complicated by the growing conviction that there are all sorts of things wrong with home relief, and that there is altogether too much overlapping of home relief on work relief. Moreover, most of the so-called "made work" which can be performed without plans and considerable funds for supervision, and materials has given out. There is only a limited amount of such work anyway, and when the weeds have been pulled up on the sides of the roads, and the dead timber has been dragged out of parks and burned up, and other minor cleaning-up processes and chores are done, it becomes a serious problem to find *made work* for the unemployed to do. The answer, of course, is to get men back on productive work as quickly as possible, through the stimulation of private employment, or through worthwhile public works.

The new Federal industrial planning and public works bond issue aims at both of these things. It is a grave question whether private business can be stimulated merely by removing legal obstacles to trade agreements, by setting up national governmental control of industry, and by similar new and untried radical devices. It may be worth trying, but I doubt it. As to public works, the great question is how this program will be administered. If one man who is a real driver and who is not afraid of criticism sets out to produce results, in terms of immediate actual employment, he will get somewhere. If, on the other hand, the new public works funds are to be expended through an individual, or agency operating under the rules and traditions of the R. F. C., the only people who will profit will be the hotel keepers in Washington who will entertain the applicants during the many weeks or months it will take to get their cases considered. There are heartening evidences that there is to be an entirely new deal in public works. It would be a cruel joke on labor and the unemployed if it ended up as another R. F. C. fiasco.

MATERNITY AND INFANCY CARE

BY THE SHEPPARD-TOWNER
ACT of Congress and the action of the state legislatures in many of the states appropriating public money for mater-

nity and infancy care, the government has established as a fundamental principle the necessity for such action, but it must be borne in mind that government can only go a certain distance and that there is residing in individuals and in organizations a grave and a serious responsibility. Preventable deaths at childbirth mean the wasting of one of the country's greatest assets.

There are about 5,000 babies born in the United States every day. Each year 100,000 of them die, another 100,000 are born dead and over 20,000 mothers die in childbirth. These figures are sufficiently alarming to teach the value of adequate maternity and infancy care.

Without appearing to be critical of fathers, but speaking only the real truth and stating the real fact, I am fearful that fathers are not sufficiently careful to do what lies in their power to assist the mother in the prevention of these unnecessary deaths. Every community

in the United States is covered by some sort of public health administration, and I believe it to be the duty of every prospective father to use that agency for such information as can be obtained for the care of the mother during pregnancy and for care of the infant as well as the mother after birth. There is no denying a large element of carelessness on the part of the father. Unfortunately, too many of them believe that they have done their full duty to the family when they provide the home, the food and the clothing. Their assistance to the mother is absolutely necessary because their interest is just as great.

Dr. Hermann M. Biggs, former Commissioner of Health of the State of New York and one of the country's leading authorities on public health matters, coined a slogan for the Department of Health, which was: "Within natural limits, public health is purchasable." That does not necessarily mean by the appropriation of money for the maintenance of departments of health. It also means effort, endeavor and sensible study of preventive measures.

Entirely aside from the family interest, which should be very great, the proper care of children immediately after birth and during early childhood is a patriotic duty to the end that there may be built up a strong and a vigorous race, because, after all, no country is stronger or greater than the people who make up its rank and file. Let us learn a lesson from our experience in the World War that will be of use to the coming generations and to some degree, at least, offset by benefit to the country the disadvantages that grow from heavy debt as a result of the progress of that war. If there is one lesson which stands up bolder than any other, it is the necessity for the proper care of the health of children in their early years.

In the operation of the draft act during 1917 and 1918, it was demonstrated that one-third of the young men of draft age in this country were physically unfit to fight. I do not mean to say that we can bring about any element of perfection, but certainly some very large percentage of that one-third were handicapped by some physical disability that was preventable if proper care and attention had been given to it both by father and by mother, either at birth, or during early childhood. Every father and mother is anxious for the health and well-being of their offspring as every husband is anxious for the safety of his wife, so that it really reduces itself to the question of giving thought to the subject of finding the means and opportunity to make the wish and desire effective.

NAMES

ONE OF THE SIGNS of the times is the revival of the directory. In the old days there was one in every drug store in every city. If you were uncertain of an address—that was the place to find it.

The telephone book killed the directory. Most people became telephone subscribers, and more than half the time it was easier to talk over the wire than to go to a man's house. A man's telephone number became more important than his address.

Besides, the directory became too bulky. It required physical strength, good eyesight and plenty of time and patience to find *the* Jones among the Joneses, and *the* Brown among the Browns. The rapid movements of families from one apartment house to another sealed the doom of the directory for a generation.

Now it is back again. The white-collar unemployed in many cities have brought the directory up to date, or so we are told, and the daily press gives us the records of the first and last names in it, the number of Cohens and Kellys, and the shifts in population and racial origins which they reflect.

This brings me to a thought. Why shouldn't the queer, unpronounceable, senseless names be simplified? I am not speaking now of changing names entirely solely to escape identity, or to masquerade in borrowed clothes, but of simple changes in the direction of dignity and simplicity and away from syllables which are confusing, unnecessary, burdensome or handicapping to the bearers and their children, or which are no particular source of pride, and serve no useful purpose. Let the *O's* and the *Macs*, and those who rejoice in names which they like and which mean something to them, keep their prefixes and suffixes, and let others rid themselves of incumbrances which do no good. In many cases names do not even fairly identify the origin of the bearer. In other cases they go back only a comparatively short distance. In any event, they only indicate descent in one arbitrary line and leave out all reference to the hundreds and thousands of other strains which make up the individual, especially in this country.

I think it would help the processes of Americanization, and make for more rapid assimilation, and improve human relations in many other fields if a sensible view were taken of this question. It would certainly make the job of printing the directory and the telephone book easier. And, incidentally, it would make it easier to consider people on their merits, instead of on their names.

The Coming Fight Over News

By Allen Raymond

This is the first of a series of articles on the growth, and the social and economic significance, of radio. Mr. Allen Raymond, a veteran newspaper reporter, is the author of "What Is Technocracy?" At present on the staff of the "New York Herald Tribune," he is a former London correspondent of the "New York Times."

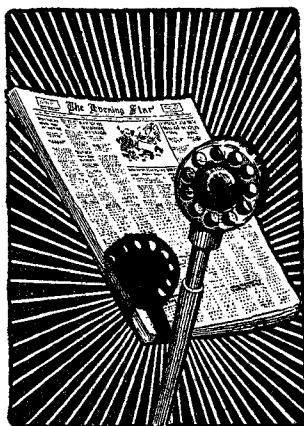
THE YOUTHFUL RADIO INDUSTRY and the aged press are drifting helplessly today into a ding-dong battle from which both will emerge so battered and altered in appearance that their best friends of recent years will not recognize them. The leaders of neither industry are anxious for the conflict, though there is plenty of "up and at 'em" oratory from minor captains.

They are beginning to fight, however, just as nations give battle, partly from a clash of economic interest, partly from a natural antipathy, and also from a feeling that each is suffering grievous wrong from the other.

As a result there will be fewer newspapers in the future and there ought to be better ones. Governmental broadcasting, instead of commercial broadcasting, or in competition with it, is not an improbable outcome. Radio programs less blatant in sales talk, and with a higher regard for the sensibilities of an intelligent portion of the public are as certain as higher taxes.

If some of these lords of the larynx who infest the broadcasting studios and afflict the citizenry with egotistic camaraderie become casualties in the battle which is ahead, the public will not miss them. If the radio industry learns to pay fairly for what it uses, to keep away from all suspicion of stock market skulduggery, to make its trade practices beyond reproach, and to grasp completely the distinction between "mine" and "thine," a doughty blow will have been struck for business morality.

And the newspaper industry, not without blemish, will acquire a critic. For the first time within the memory of men now living a force has arisen capable of presenting a case against the newspapers before the jury of public opinion. The newspapers do not like the radio, but it is bound to be good for them. Grand for the public!



As nearly as a contemporary reporter can discern the cause of the inevitable war between the newspapers and the radio, it is not that natural desire for a greater share in the nation's advertising revenues which animates both of them. It is rather because of that revolution in human communications which was wrought when radio enabled the human voice to be tossed out over

the air for thousands of miles, in all directions, traveling instantaneously over land and seas, uncrossed by cables, and uncrossable by newspapers without prolonged delay.

Until that accomplishment, the newspaper was the fastest mechanism which man had devised for transmitting news to great masses of people. The newspaper is that no longer. Radio can beat it. Radio is beating the newspaper almost daily, whenever it sees an event which it deems of sufficient importance to broadcast. And the significant thing is that these occasions are becoming more frequent.

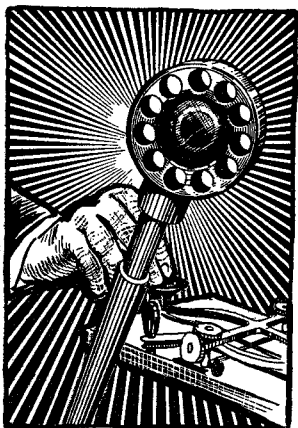
Before the coming of radio, newspapers were the unavoidable vehicles whereby statesmen might communicate with the public in their attempts at governing. Today the speaking voice, the personality of the President in the White House, comes into the homes of the millions to reason with them directly, unwarped and undistorted by journalism.

The finding of the Lindbergh baby's body, the recovery of the McMath child from kidnapers, safe and alive, the attempted assassination of a President-elect, and news of his inaugural, news of the formulation of those policies by which a suffering people hopes for relief from the long agony of deflation, all this news is coming first to the homes of the millions by broadcast. Incomplete, to be sure, abominably reported, often, by radio's student news-casters.

But first by radio, and second by newspapers. That is the new and important factor. Radio news will be more complete shortly; more accurate, and thereby a more formidable competitor of the newspapers than it has so far been. Vainly the little King Canutes of the American Newspaper Publishers' Association, sitting at the Waldorf with a vast misunderstanding of their social functions, their rights and responsibilities, bid the tide recede, by resolutions against free printing of radio programs, resolutions which they do not intend to follow.

The Associated Press, quite within its rights, and driven to action by the small-town newspaper manufacturers who support it, and who have no radio stations, votes not to supply the broadcasting stations any more with the news which it has gathered. An entertaining event of minor importance, though the United Press may follow, and even, perhaps, the International News Service, though its proprietor—far-sighted publicist—is well armed with radio, as he is with newspapers.

The inescapable result is that the broadcasting companies will gather their own news, as they are beginning today to gather it. Going to the additional expense of gathering it, their course is increasingly to disseminate it. The big chains may yet become commercial rivals of the Associated Press, the United Press, and the Inter-



national News Service, supplying the newspapers with news they have gathered.

It is a trite saying in newsdom that news is the most perishable commodity on earth. News may be infinitely valuable for a moment, for a few hours even. It stales, and is worthless with appalling rapidity considering the toil that goes into the gathering and the communication of it to the public. And now with the development of a faster means of dissemination than the newspaper, its value in printed form decreases whenever in that form, because of previous radio use, it becomes a twice-told tale. But news is more than a commodity, and from the viewpoint of the reporter who spends his life gathering it, seems under-valued and misunderstood by those very business men who market it, and fight like wildcats to maintain their "property rights" in it. They are like old Khayyám's vintners:

"I often wonder what the vintners buy
One-half so precious as the stuff they sell."

News, not always to be foreseen, and never to be revoked once the Moving Finger has written the Event, is to a considerable degree mankind's master. The course of commerce, the policies of state, the puny destinies of millions of little persons who pursue their illusions of value, all are shaped by that contemporary Immediate Event, and by men's knowledge or ignorance of it. No financier, or group of financiers, no statesman nor round-table packed with politicians who deem themselves statesmen, no mass of people, national or continental, can completely control that Immediate Event which is to shape their futures, though they struggle so fiercely to do it that they make themselves rather ridiculous before the irreverent.

The most that business men, politicians, and the forgotten millions, greedy for survival in this anarchic world, can hope to do is to learn the Immediate Event, and turn it in some measure to their profit, or to that of their fellows, or preferably both. In this intricate economic system of ours, lawless and bewildering in its behavior even to Montagu Norman if not to Walter Lippmann, the most mankind can do is to learn the news, to know what is going on, and to progress, individually or collectively, within the limits of its power, by adjustment to the strength and direction of winds which are blowing.

News, then, perishable and fleeting, is something of no mean importance in this modern world: the stuff people live by; a commodity as essential to community living as any existent, because without a knowledge of it by persons concerned with handling of all other goods, very little of anything is obtainable by anyone.

This is the stuff over which the newspaper publishers and the radio industry have begun to do battle, for the money in it, to the vast advantage of the public, which will get the news more quickly by air than the news-

papers ever can produce it, and which will get better newspapers—in those that are left—because they will have to be better to survive.

Are they not bound to be far different from those of today? The need for afternoon sporting extras has well-nigh disappeared, because the radio today can give the sporting results before the newspapers can get to the street.

It will avail the newspaper proprietors little to scoff at the future of radio in the news field because of the superiority of the written word over the spoken one for registering some numbers of definite impressions. The current saying is to cite the Broadway bookie, who always has need of the papers and believes he always will have, because, as he says, "We don't pay off on a verce."

But radio already is producing the visual record. Six years ago the writer radioed from London to his newspaper in New York the first picture of the finish of a Derby that ever was sent by air from the Old World to the New. The processes of facsimile transcription have improved vastly since that shadowy photograph first appeared. Not only that, but the new method of television is just ahead, to be launched commercially on the next buying wave.

By this method, 14,000 words a minute may be flashed by photograph, anywhere. Already one newspaper, published in Boston, is waiting for that event, and is likely to publish a Los Angeles edition, sending its pages from the Boston plant by wireless to another printing plant on the coast where there are some thousands of its subscribers.

But radio has more than that aid to newspapers up its sleeve. It is perfectly within its power to deliver a newspaper, tabloid size, well edited, and without any advertising, upon the breakfast table of anyone who wishes to pay an extra toll to a telephone company, to have it come out of the radio television receiving set. All the subscriber will have to do within a few years is to turn the proper dial on the radio when he goes to bed, and his paper will be there when he gets up in the morning. Impossible? It comes upon the authority of an officer of the Radio Corporation of America, who is convinced the newspapers have "missed the boat."

Recently five of the most capable newspaper reporters in New York City went down the bay to meet Ramsay MacDonald, Prime Minister of England, and interview him. They received a formal "hand-out," a typewritten statement, and the Premier was then rushed by William Hard, ex-reporter for the printing presses, and now equally a news-caster, in front of a microphone on the sun deck of the incoming liner.

Within *ninety seconds* after that short-wave apparatus had hit the sun deck, the voice of the news-caster was picked up by "Skeets" Miller, of "NBC," who was waiting in the National Broadcasting Company's Manhattan control room to direct a nation-wide hook-up. An order was silently given and Premier MacDonald was speaking in some thousands of schoolrooms between New York and San Francisco, where the nation's youth had been listening to Walter Damrosch's orchestra. And all over the country that voice was heard, in an inter-

view quite as adequate as that received by the newspaper reporters. Hard reported the scene in the harbor, and introduced the statesman. Damrosch, informed by telephone of what was going on, followed the statesman's voice by leading his orchestra in "God Save the King." The radio's work on that job was done.

In the meantime what had happened to representatives of the press? After seeing the statesman off to Washington, the reporters went back to their offices, by tug from Hoboken, N. J. It was early afternoon. Some afternoon editions were caught with a scrappy account of the happenings, and then the morning newspapermen wrote their appointed column and a quarter, for newspapers which did not appear until the following morning.

What those reporters know about radio competition, the editors will know soon. Neither the formulae, nor the practices, of Pulitzer, Hearst, Ochs, or Patterson, represent the ultimate perfection of newspaperdom. The publisher who learns to use a radio transmitter for the swift, straight job, and a printing press for the slower hay-maker, as a boxer uses two hands coördinated by a single, fighting brain, will knock his old-fashioned competitors clear out of the ring.

When Franklin D. Roosevelt, then President-elect of the United States, narrowly escaped an assassin's bullet in Miami, Fla., late one night before his inauguration, most of the newspapermen who had followed him throughout his campaign were seated in the Miami railroad station, writing perfunctory stories of his landing from Vincent Astor's yacht.

It was a "tough break for the boys," as they had to scramble hard and fast for several hours thereafter to piece together the story of the attack, which none of them saw. It was not entirely their fault, as the President-elect himself had assured them he would say nothing but pleasantries in the Miami reception in the Miami waterfront park and advised them he would join them at the depot shortly for the trip north by train. They had their first editions to catch, and pursued the accustomed routine of correspondents in the field with notables.

The consequence of this regrettable, momentary separation of reporters from their story, however, was a dearth of news about the attempt on Roosevelt's life for several editions of the great metropolitan newspapers, after the shooting. In fact not until most of the editions for suburban, rural and distant points had been rushed on their way did the newspapers possess a detailed graphic and accurate account of that affair which resulted in the death of Chicago's Mayor, and shocked the nation.

It so happened that night that Ed Cohan, an official of the Columbia Broadcasting System, was on his vacation in Florida, and was cruising near the scene of the reception in an automobile equipped with a short wave radio receiver. He was listening to the broadcast of the reception ceremonies over a local station, and heard the shots of the insane Zangara, and the resultant uproar. He was transformed into an amateur reporter instantly. Speeding to the local radio station, he phoned Columbia's headquarters in New York City with the brief news that someone had tried to shoot Mr. Roosevelt,

had failed to hit him, but had wounded Mayor Cermak.

That news was immediately broadcast over a nationwide hook-up before any newspaper, anywhere—even in Miami—was on the streets with a story of the shooting.

In the same way, a thrilling eye-witness account of the earthquake which rocked Los Angeles early in March was told by radio to people in New York homes before the New York newspapers had printed even a bulletin about it, told, incidentally, by a former newspaperman in the employ of National Broadcasting radio station on the scene of disaster.

Tucked away in the back part of most newspapers today, where it will not annoy the headline-reading public, is news of the commodity markets—notably daily quotations on farm produce. But today the farmer does not have to wait for the rural free delivery to bring him, a day late, a newspaper containing the quotations in which he is interested. Up-to-the-minute information is brought to him by radio at the noontime dinner hour, when he comes in from his fields.

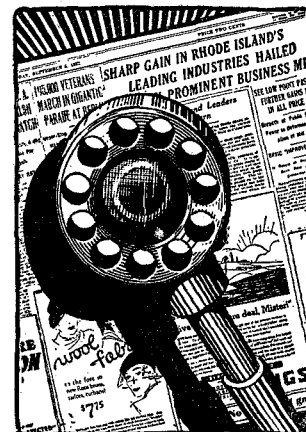
One might multiply these examples of where the radio is doing a better job, along specific news lines, than the newspapers can ever do in printed form. News coverage by radio is in its infancy. Merely because some news distribution through the air does not appear today is no indication that it will not be here tomorrow.

With such a rival, destined to modify the content of the newspapers enormously, and now cutting into newspaper revenue from national advertising, it is little wonder that those newspaper publishers who have no radio stations have the jitters. They have the example of the railroads before them, those roads which began to decline when the motor-bus came. What the motor-bus has been to the railroads, radio well may be to the newspapers which fail to adapt themselves to the radio age.

It is not until recently, however, that the publishers have been expressing alarm over radio as a news competitor. It has been the competition in advertising that has alarmed them, through the later 1920's and the Depression of the 30's. As national advertising has diminished with the Depression, and competition for it has become keener, the newspaper publishers have rent the air with their lamentations at the share radio has been getting, though it is still small when compared with the whole.

The report of the Bureau of Advertising of the American Newspaper Publishers' Association, rendered at the meeting of April, 1933, showed how greatly national advertising had diminished in the three Depression years of 1930, 1931 and 1932, and how that small proportion of it which has been going to the radio chains has steadily increased.

The total of national advertising in the three years was successively \$510,000,000 in 1930; \$442,500,000 in 1931; and



\$345,000,000 in 1932. Proportionately to the total in each year the newspapers held their own, and even bettered their showing a trifle. They received 45 per cent of the whole in 1930, and 46.4 per cent in 1931 and 1932. Their gross receipts from this source, however, shrank from \$230,000,000 in 1930 to \$205,000,000 in 1931, and \$160,000,000 in 1932.

Radio, on the other hand, receiving through the medium of the chain broadcasting stations 5.3 per cent of the total in 1930, got 8.1 per cent in 1931, and 11.3 per cent in 1932. Its gross revenue from national advertising grew each year, from \$27,000,000 in 1930, to \$36,000,000 in 1931, and \$39,000,000 in 1932.

It is not merely the total of national advertising going to the radio chains which has annoyed the newspaper publishers. The rate of growth has been watched with some perturbation. Typical of the growth in the three years prior to the Depression was the National Broadcasting Company's sky-rocket rise from \$3,832,510 in advertising revenue in 1927, to \$18,729,571 in 1929. Then when the crash came, and newspaper lineage began to drop, National Broadcasting increased its advertising revenue to \$26,819,156 in 1930.

The newspaper publishers could see clearly, even in those days, that this was cutting into revenues which they had come to regard as peculiarly and naturally their own. They made inquiries. Specifically, they found that among eighty-two national advertisers investing heavily in broadcasts, 28 per cent of the money spent on crooners and jazz bands had been diverted directly from newspaper appropriations. It was small comfort to learn that 32 per cent of this radio expenditure had been by additional advertising appropriation.

The newspapers began to fight for business, instead of sitting back and waiting for it to come to them, as some of the large ones had fallen into the habit of doing in the gluttonous 20's. They had surveys made of radio "coverage" of markets. Theoretically, they had shot the advertising claims of the broadcasters as full of holes as a mosquito netting, but actually radio advertising has continued to increase until the early days of 1933. Now there are signs that the broadcasting companies are going to have more difficulty in collecting rich revenues. Radio advertising has begun to drop in this first half of 1933, and the radio industry is worried about it. The drop is believed in newspaper circles to be due in part to the strenuous campaign of the Bureau of Advertising, and other newspaper propaganda agencies, to show big advertisers just how "phoney" this radio advertising is. The newspapers have had plenty of help from college professors of sociology, psychology and what-not in fighting commercial radio.

Apparently every time the cool, impersonal scientist or statistician investigates the advertising radio has to sell, the value of the product suffers.

Seekers of advertising appropriations for the radio chains no longer make the extravagant claims of the first boom era. It has been shown that the mortality of radio advertising accounts is higher than that of accounts

in other media, that many manufacturers and merchants who have tried it temporarily as an experiment have gone back to the magazines and newspapers after spending large sums without any provable return.

Of 275 sizeable radio accounts which were on the air in 1928, or 1929, or both, 128 did not use the radio in 1930. This represents a mortality rate of 46.6 per cent. Of 282 broadcast advertisers in 1930, 113 did not use radio during the first quarter of 1931, a mortality of 40 per cent according to the Bureau of Advertising. As against such mortalities for radio advertising, a study by Media Records, Inc., in 1930, showed that of 195 advertisers who used both newspaper and radio advertising in 1929, only eighteen, or 9.2 per cent, dropped the newspapers in 1930.

"Poor programs," is the radio industry's explanation of the mortality, and they add, "As advertisers learn how to use radio properly, they get better results. If they have poor programs, as many of them have had, of course, they can't obtain results."

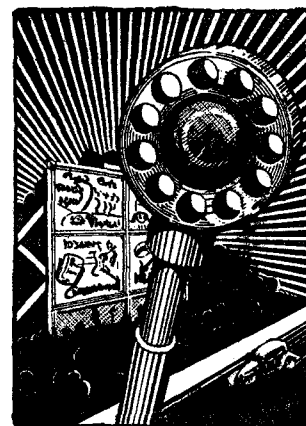
"Poor coverage of the market," is the newspapers' retort, and they are backed by students from the colleges, investigating for accurate appraisal.

Professor George H. Gallup, of Northwestern University, made a study of radio listeners in 1931, which influenced national advertising agencies considerably. So have the studies of Crossley, Inc., employed by the Association of National Advertisers.

According to Professor Gallup's study, of every typical hundred American families, eighteen, or roughly a fifth, are not at home on a given evening. Of the eighty-two families at home, only sixty-four own radios. Only thirty-two, or one-half of these, have their radio sets turned on, and only a small proportion of them can identify the sponsors of the programs to which they have listened after their evening's entertainment is ended.

Professor Gallup's conclusion was of interest to the newspaper proprietors, and they quote it gleefully. "It should be fairly obvious to any advertiser that by using newspaper space to publicize his radio program it is entirely possible to increase the size of his audience in any community. Experimental evidence already at hand indicates the effectiveness of paid program publicity."

The dawn of light is beginning to be evident in the national magazines and newspapers. In this first half of 1933, big advertisers, spending heavily on radio broadcasts, are beginning to advertise their radio advertising in the media which have been proved to be the infantry and artillery of any advertising campaign. The sponsored radio program remains merely the air force, capable of reaching an objective, perhaps, if not annihilated by a competing air force—or another program on the air at the same time—but incapable of holding any ground that has been won.



Radio advertising is increasingly regarded as a creator of "good will," which can be profitable to great corporations with large sums to spend, if done with a minimum of blatant sales talk. Decreasingly is its capacity to sell goods, either claimed, or acknowledged.

Stormy days are ahead for the chains, too, through the development of "spot" broadcasting, or broadcasting from records, to supplement broadcasting from strong individual stations. Moreover, Ed Wynn, the radio and stage comic, is risking his money at current writing upon a third chain, to compete with NBC and CBS, and while the mad wag may lose his investment, he may also cut impressively into the other chains' earnings.

The advertising which the broadcasting companies have diverted from the newspapers has not been a net loss to the press,—chargeable to radio competition. The very existence of radio, with broadcasting as the heart of its business, has brought large sums of advertising revenue to the newspapers from the manufacturers of radio receiving sets. Their appropriations for newspaper advertising in the first decade of popular radio reception are said to have totalled more than \$20,000,000 in national advertising alone, to say nothing of the advertising by local dealers. Against this, of course, as a loss to the press has been that part of their advertising receipts which vanished when radio put most of the musical instrument industry out of business, but this was only a small fraction of the revenue radio has provided.

The contribution of the radio industry to newspaper power and prosperity has not been small. Similarly, it is not inaccurate to say that newspapers, by their dissemination of news and advertising of the new method of communication, have been a major factor in bringing it to its present state. By all the laws of nature, these two industries are allies, rather than enemies.

Radio and the newspaper started as friends, or rather, the newspapers were friendly to radio when it started. Radio began as a "science story," back in those romantic pre-war years of innocence, when Guglielmo Marconi sat shivering in a shack in St. Johns, Newfoundland, waiting for the letter "S," represented by three dots of a Morse code, to travel through the Atlantic fogs from Poldhu, England. The letter traveled. Marconi heard it. The press sold papers, telling that story, as papers have been sold since then containing news of importance and interest about radio.

Radio became a communications system, and remained that, in the newspaper mind, until KDKA, the "pioneering broadcasting station of the World," with the aid of a Pittsburgh newspaper to gather its audience, broadcast the returns of the Harding-Cox election to a few thousand homes in 1921. Then broadcasting again became a "story," and remains one today, as the existence of radio columns in many newspapers, often reluctantly printed by the publishers, will testify.

As a means of communication, radio has provided the press with a bludgeon whereby it hammered down the trans-Atlantic rates of the commercial cable companies.

A few of the major newspapers, including the "New York Times," "The Christian Science Monitor," the "New York Herald Tribune" and the "Chicago Tribune" formed a radio company of their own in the mid-twenties. It has developed into Press Wireless, Inc. Because of radio the newspapers' bills for covering European and

Asiatic news, since the United States became world-conscious, has been reduced by millions of dollars.

The newspapers' wireless company and the communications system of Radio Corporation of America are now fighting each other before the Federal Radio Commission over the alleged attempt by Press Wireless to invade the commercial radio field. It is alleged, and denied, that the newspapers' company, instead of restricting its activities to press dispatches, has been supplying financial information for use prior to publication to a brokerage abroad. But this is merely a minor skirmish along the broad battlefield that is apparently forming between the two industries.

In the report of the committee on radio of the American Newspaper Publishers' Association, adopted at the annual meeting in April, is some indication of the tactics the publishers may be expected to adopt, if they persist in folly, when radio competition in news becomes keener.

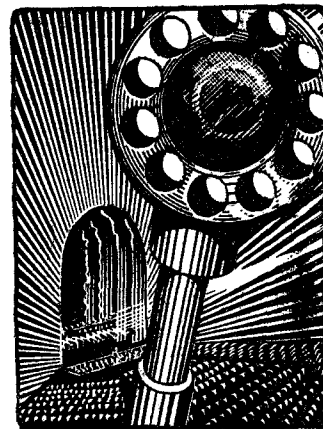
"In the United States," the report says, "the Congress has delegated certain limited powers to the Federal Radio Commission to regulate the granting of broadcasting licenses on the bases of 'public interest, convenience and necessity,' the exact meaning of which, however, has not been very definitely determined. No definite authority has as yet been granted to the Federal Radio Commission to regulate the amount of advertising on any program, or regulate the type of program which may be broadcast in accordance with the definition of public interest, convenience and necessity. The interpretation of this point of law has been only general by the Federal Radio Commission.

"It would seem that the use of the ether, or the air, as it is commonly called, should be considered to be one of our natural resources, and as such should be regulated and restricted for the general good of all.

"Almost all the foreign countries have already recognized this fact, and have placed radio broadcasting under government ownership, or have definitely restricted the amount of advertising and have regulated the type of radio program.

"So far as the United States is concerned, radio broadcasting is still in the control of private capital, and only minor restrictions have been imposed; for instance, the granting of licenses and the elimination of interference of one station with another. Canada, our neighbor to the North, is one of the latest to bring radio under government ownership and strict control. The present system in the United States of having the entire cost of radio broadcasting borne by the advertiser and of leaving the programs unrestricted seems to be a reflection of our concept of democratic principles of government.

"It is possible and quite probable that there will be an increased demand on the part of the public to



put these facilities under government ownership, or under strict government supervision, in order to raise the standard of programs and to make them comply with the real interpretation of 'public interest, convenience and necessity.' Many governments have regulated the broadcasting of news by allowing only news of authentic character to be broadcast, and then only in coöperation with the newspapers. In Australia, the government prohibits entirely the broadcasting of news.

"In Great Britain, The British Broadcasting Corporation pays about \$125,000 per year, divided among three press associations, for news service. This news service is edited by the British Broadcasting Corporation (government-owned monopoly) and put on the air at certain periods which are designed not to interfere with the principal afternoon editions and long before morning editions come out. News of extraordinary importance is bulletined briefly.

"Your committee is not attempting to place before you the advantages or disadvantages of government ownership of radio broadcasting because we believe that this subject should be left to the discretion and judgment of the individual publisher. What has been done in foreign countries, does, however, lend material for serious thought and consideration when publishers come to understand that the only definite way in which to control the broadcasting of news is through government ownership, in coöperation with the newspapers, or by strict governmental regulation on the point of what can, and what cannot, be broadcast.

"Many false statements and exaggerated reports, which have been broadcast recently by stations that do not have newspaper sources for news has demonstrated to the public that the unrestricted and unregulated broadcasting of news has resulted in the spreading of false rumors.

"False statements and exaggerated reports put on the air by radio broadcasting has imposed the additional burden upon newspapers of reconstructing the true facts in the minds of the people. In the face of many national difficulties, the responsibility of giving the correct facts to the public should be restricted to the legitimate purveyors of news, namely, the newspapers.

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"Radio, primarily, is a means of entertainment, and it is accepted as such by the public."

If that last statement were an accurate report of the fact, it is time somebody told President Roosevelt about it, for he is using the radio to report directly to the people what he is doing, and trying to do, in the nation's capital. It is very unlikely that the American newspaper publishers, as a whole, subscribe to the report of the publishers' radio committee, although their association adopted it as a whole—probably without reading it, as many another convention report has been adopted.

These excerpts from the report constitute a valuable piece of social history of our times, however, as they indicate the temper of a considerable part of the newspaper industry, as distinct from the profession of journalism, or the craft of reporting, toward a business rival which is beginning to threaten its profits—if any.

The newspaper manufacturers have today within their keeping the freedom of the press. They control the livings of journalists and reporters. They, in turn, have their living controlled by the masters of credit, so that it is understandable if some "pulled their punches" during the financial abuses of the 1920's. By and large, however, within the limits of human frailty, newspapermen believe their newspapers have done a fair job at meeting their social responsibilities.

Surely it would be ironic, if under the stress of competition, newspaper publishers were jockeyed into the position of fighting the freedom of the news-getters and news narrators, and news interpreters, even though the news will move increasingly over the air.

It is one thing to insist on radio's paying for news which the publishers have gathered, instead of stealing it, as radio has done at times. It is quite another to try to put a competitor out of business by calling for government ownership.

In the coming news war between radio and the press, it might be well for both contestants to consider seriously the whole question of "property rights" in news, and the public's right to news as an essential of modern living. It might even develop that the antagonists would find certain spheres for mutually profitable coöperation, in actually serving the public. Neither the prestige, nor the profits, of either industry will be increased by a war without limit.

The second article in Mr. Raymond's series dealing with the present social and economic significance of radio will appear in the July issue of NEW OUTLOOK.

Money-in-Motion

By John Chamberlain

Velocity of exchange, the goal of all of our economic searchings, is the claim made for stamp scrip, which is discussed by John Chamberlain, who is the author of "Farewell to Reform."

IN EVERY DEPRESSION the cry for "more money" goes up. Whether it comes from a William Jennings Bryan, a Senator Thomas of Oklahoma, or a Huey P. Long, there are always people around to see a simple, direct relationship between the quantity of currency outstanding and the prices of goods. Expressed at its crudest, the formula of these extreme "quantity theorists" may be put this way: double the supply of dollar bills, and you double the prices of wheat, cotton, copper, and so on.

In our post-Civil War deflation period, which lasted for a generation, political alignment after political alignment grew out of this unsubtle version of the quantity theory of money. Greenbackers, Farmers Alliances, the Grange, Populists, Bryan Democrats—crude quantity theorists, all of them—voiced the demand for a "fifty cent dollar" that would beat "no dollar at all, all holler." And, of course, there was a stinging reality behind what the disinherited said; money had become scarce since the Civil War had put an end to the printing of fiat money by the government, and since the California gold rush had tapered off. More money was needed.

Very likely it is needed today. The world would have little objection to an expanding gold supply. But there is a simple formula that expresses the equation of exchange, and that simple formula shows that consideration of one phase of the money question is never enough. The formula is $MV + M'V' = PT$. M stands for money, V stands for velocity of exchange, M' for bank money (checks and the like), V' for the velocity of exchange of bank money. P is the symbol for prices, and T signifies transactions. Obviously, if there is very little currency outstanding, it won't move very fast, for it will be at a hoarder's premium. And, also obviously, a small amount of currency will not be adequate basis for much bank money. The Bryans, the Greenbackers,

the Senator Thomases, are right in demanding an adequate currency.

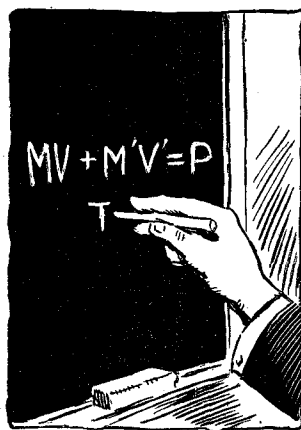
But the mistake of the more unsubtle quantity theorists is to forget the V in the equation, or to see the V picking up only if the M is greatly magnified. Money is all very well, but it is money-in-motion that means expanding business, goods moving on and off shelves, the increased use of bank

credit. A dollar bill passing through ten hands a day means more transactions, and higher prices, than five dollars lying idle in a hoarder's mattress. In answer to the more unsubtle quantity theorists, one may parade contrasted figures for currency outstanding in the United States in 1929 and in 1933. During the past year there has been in circulation a total of from one to three billion dollars more than we had in circulation before the stock market commenced to bubble at the mouth on a now historic day of October, 1929. But the velocity of exchange, as freight car loadings indicate, is as nothing to what it was four years ago. Nor does the gold basis of the American monetary system (which has actually increased) support the bank money that it did in 1929; bank credit had shrunk by some twelve billions when Mr. Roosevelt assumed office to proclaim a moratorium and a pox on bankers.

The problem, then, is to increase the velocity of money. Here begins a grand battle of theorists, and science flies out the window because there are many variables to consider, and no discoverable fixed point of reference. Those who want to speed velocity by increasing bank credit argue for borrowing on easy terms by business men. By keeping low the bank rate, or the rediscount rate, for lending money on good security, and by open market purchases of government bonds from member banks by the Federal Reserve, the central banks of America can, theoretically, make money easy to get. When the Federal Reserve purchases government obligations from member banks, these member banks get the right to issue dollars on gold made available to them. They have, theoretically, the basis for a larger flotation of credit.

But the velocity-speeders-by-credit have a pragmatic answer to their contention. For a year, after passage of the Glass-Steagall Act, Mr. Hoover hoped to see revival by increased use of credit. But business men wouldn't, or couldn't, borrow. Either they lacked confidence of sales, or good collateral, or both. Pumping credit into the producing end of the economic equation seemed useless. The failure of this policy has led to the cry for "more currency," or for a change in the gold backing of such money as we have.

Those arguing for an immediate change in the gold backing are quality theorists, as against quantity theorists. If we devalue the dollar in terms of gold, they argue, prices, being an expression of a ratio of goods to gold, will automatically rise, other factors being equal. When prices start to rise, the banker, seeing the business man getting more for his product, making a profit at last, will be quick to advance him credit in order that more



goods may be produced and marketed at a profit. Credit will thus come into existence, the velocity of exchange will be speeded up. The V in the equation will be increased. And all this will be done without recourse to increasing the quantity of money. Of course, the cut in the gold behind the dollar—say, from twenty-three grains to fifteen—will enable the banks to issue more money when it is needed, but there will be no immediate spending by virtue of the printing press. The government debt will not be increased.

We can grant the cogency of this argument provided the devaluation is the result of international conference across the green baize tables of London. Devaluation undertaken by ourselves would probably lead to reprisals as other nations sought to cancel the benefits accruing to us in our foreign trade position because of a depreciated currency. But even if devaluation worked either way (whether undertaken by international agreement, or as a shot in the dark by ourselves), it would not result in any immediate increase in buying power among the people now languishing for cash.

It is here that proponents of stamp scrip enter the picture. They claim to have a stop-gap, a *money that can't help but move*. Stamp scrip, they argue, is just the thing to tide us over the gap before any mild, and therefore safe, inflation begins to take effect. The virtue of stamp scrip, they continue, is that it disappears when the need for it has disappeared. Their argument is a humanitarian one. Let us see how it works out.

Professor Irving Fisher of Yale has been the most vociferous proponent of stamp scrip. The points he makes about it are, one, that it is *like* money, in that it can be banked or spent, and, two, that it is *unlike* money, in that it cannot be hoarded. The stamps, he says, if demanded on a specific date, compel stamp scrip to "step lively." They increase the V in the equation of exchange.

A typical piece of stamp scrip which, of course, is not to be confused with Clearing House scrip with which the Roosevelt financial advisers flirted briefly at the end of the bank holiday, is shaped like a dollar bill, but across its face it usually bears the name of an exchange, or of a business man's association, or of a town, depending upon the origin of issue. The scrip also bears prominently a statement of its denomination, to equalize its purchasing power with the purchasing power of ordinary money. After a year of circulation, it is to be redeemed in money by agreement. On the back of the scrip there is space for fifty-two stamps, dated to indicate successive Wednesdays of the year. The stamps are sold by the city, or by the business men's association, for two cents each; and it is part of the bargain that no one can pass scrip on a Wednesday unless stamps have been pasted on its back for all the Wednesdays going back to the date of issue. At the end of the year the scrip can be returned to, say, the city treasury for redemption for a dollar, the four additional cents being held out to defray printing and administration expenses. Stamp scrip is, thus, self-liquidating.

To all asseverations that his scheme is Utopian, or nonsensical, Professor Fisher replies by pointing to the towns of Schwanenkirchen, Bavaria, and Woergl,

Austria, where variants of the dated type of scrip have worked to reinvoke prosperity. The origin of the stamp scrip idea has been traced, by Professor Fisher and others, to Silvio Gesell, a German business man, who recognized Proudhon, the French Utopian Socialist, as his master. Gesell's ideas, however, were not put into practice before he died. It was not until



1919, after the war, that a movement began in Germany called the *Freiwirtschaft* movement, which proposed a complete stamp scrip currency. A friend of Gesell's, Hans Timm, formed an exchange for the purpose of putting Gesellian principles into practice. He called his scrip "Wära," a word compounded of two German words meaning, respectively, Goods and Currency. Purchase money was kept in hand to provide a provision redemption—or, rather, insurance—fund for "Wära."

The scrip, a certain amount of which crept into general German circulation, bore stamps at the rate of one per cent attachable per month. In 1931, the owner of a coal mine in Schwanenkirchen made more lavish use of the idea, and the rest of Germany suddenly woke up to see non-hoardable money actually creating a small island of prosperity in the general sea of depression. When the German government, for what seems like no good reason to Professor Fisher, suppressed the Wära currency, the town of Schwanenkirchen sank back into its pre-stamp-scrip lethargy.

But the Mayor of Woergl, in Austria, had watched the experiment, and suggested that it be tried out in his town of 4,300 people. Hans Cohnssen has described the Woergl experiment for *NEW OUTLOOK* readers in the issue of March, 1933, in an article entitled "Mayor Unterguggenberger's Plan." The success of Woergl in making use of non-hoardable dated stamp scrip is Professor Fisher's most convincing answer to skeptics who say that the tax imposed by the stamping makes the device impracticable.

In the United States, under the goad of depression, scrip experiments have been tried in many communities, with more or less success. A good deal of the scrip has been of the non-dated kind, merely requiring the affixing of a stamp whenever it is passed. Naturally enough, except where local patriotism creates exceptional conditions, the non-dated scrip does not attain any velocity. It is not "money-in-motion." Pella, Iowa, for example, issued a small amount of non-dated scrip for charity purposes, but the issue did not stimulate business. Merchants complained, according to Professor Fisher's informant, that they had to bear most of the burden of stamping, for the public refused to accept the scrip over the counter unless a stamp was forthcoming, too.

Professor Fisher's hope—which seems fated to a quick death because it offends the financial *mores*—is that Congress, by special legislation, will provide for a national issue of dated stamp scrip in sufficient quantity to compel velocity of exchange and break the Depression. He aims at achieving a stable price level, say,

at Senator Bankhead's goal of four-fifths of the price level of 1926. After stamp scrip has served its initial purpose, it might be used, according to Professor Fisher, as a regulator of monetary speed, which is the "most baffling factor in stabilizing the price level."

The objection to the Fisher idea is usually tripartite. There are those who see Gresham's law, that cheap money drives good money into hiding, operating. Scrip, they say, may be non-hoardable, since it depreciates if it is not stamped and spent, but it would be the cause of hoarding of other money. But Professor Fisher insists that business done with stamp scrip passed out to hitherto moneyless people for services rendered the government or business men's associations will be *new business*—something extra. This, of course, is not susceptible of proof, once the scrip has passed into the hands of merchants or bankers. The second objection is the hidden sales tax aspect. Merchants would pass the tax on to the consumer. But, says Professor Fisher, the stamp scrip would circulate with sufficient velocity to make the tax considerably less than two percent when spread over many transactions. And who could object, anyway, to a tax on additional business? Objection number three is that banks won't accept the scrip on stamp day, inasmuch as it would cost them plenty to put the scrip out again. The answer here is—let the banks discount the scrip at two percent, or a little more if service charges must be included.

It seems to the writer a little Quixotic of Professor Fisher to expect Congress to do anything about stamp scrip. The uncertainty that any new notion stirs up in the minds of people would inevitably cause legislators—who do not think for themselves, but rather with an eye to constituencies—to draw back before monkeying with stamp scrip. J. B. N. Cardoza proposes to get around the difficulty by having the American Bankers Association issue scrip engraved by the American Bank Note Company to the unemployed for services rendered to the A. B. A. throughout the United States.

The services would consist of persuading merchants' associations, wholesalers and retailers to accept a national A. B. A. scrip as a temporary medium of exchange, and thereby create nationwide volume buying power needed to restore regular business. Mr. Cardoza argues that if prices rise, under the threat of inflation, something like stamp scrip will be needed more than ever in order to save the day for those who find even the low prices of 1933 too high for the little money they have in their pockets. Issued through an organization like the A. B. A., scrip would act as a direct aid to the unemployed.

Banks, under the Cardoza scheme, need not accept the scrip for deposit. Mr. Cardoza would arrange to have the Railway Express Agency, say, transfer the scrip when necessary to complete wholesaler-retailer transactions or manufacturers and raw material owner transactions. All private shipping charges would be paid in A. B. A. scrip.

Mr. Cardoza pictures a sort of new crusade, with a vast army of the at present hypothetical A. B. A. employees working assiduously in every part of the country as missionaries of stamp scrip. Should the objection be raised that, until the last stamp is affixed, there is nothing but faith behind the idea that scrip can be redeemed in full, Mr. Cardoza would say there is nothing but faith behind a large percentage of bank money now in use. He does not contemplate any necessity for an insurance fund. A redemption fund behind his type of scrip—such as the fund provided by the coal mine owner of Schwanenkirchen, Bavaria, or the good citizens of Woergl, Austria—would have to be a matter of local arrangement if demanded. Sale of stamps would eventually pay all the bills, with something over for extra charges, but, previous to the sale, provision for redemption—or, rather, insurance—would have to be worked out, presumably, with the trade association, merchant group, board of trade, or other organization agreeing to take so much of the scrip.

Barring unforeseen eventualities, the provision of insurance funds would be mostly a matter of simple book-keeping. Money now lying idle would simply be earmarked in the banks as backing for scrip. The earmarks would be removed when the scrip had liquidated itself.

It is Mr. Cardoza's opinion that not much worrying would need to be done about redemption; once in use, stamp scrip would travel fast and far until the fifty-two stamps were all pasted on the back of each bill. Costs incidental to shipping stamp scrip by the A. B. A., or other agents of issue, could be defrayed in more stamp scrip. Knowing they could pass it on, the Railway Express Agency or other units of transmission should not be afraid to take scrip in payment for services rendered.

"Money-in-motion" being the principal factor in maintaining a price level and a degree of prosperity, both Mr. Cardoza and Professor Fisher look beyond the temporary issue of stamp scrip to the future. As we have seen, Professor Fisher is for the limited issue of stamp scrip at any necessary intervals in order to keep the price level on an even keel when manipulation of the bank rate, or open market operations by the central banks, fail of their intent.

Mr. Cardoza has a more ingenious scheme for compelling spending. Salaries, he points out, could be increased contingent upon a promise to spend a certain definite amount based upon the Business Index. The compulsion upon spending could be raised, or lowered, depending upon the necessity for directing money into the purchase of consumer's goods or capital goods. This sort of coerced spending would, under such a dispensation, be an adjunct to the weapon of the rediscount rate. Mr. Cardoza and Professor Fisher both believe in "Money-in-motion." Whether they have hit upon ways and means of keeping it in motion or not, most economists will agree with their diagnosis. The *V* in the equation of exchange must be compelled to keep its end up if capitalism is to survive.

The Rooftree Rebellion

The first "Mortgage March" recently was made upon Washington. The plight of the small American home owner, which daily grows more critical, is described by Louis Stark, who contributed "Watchman, What of Our Pensions?" to the April issue of NEW OUTLOOK.

By Louis Stark

THIS IS THE STORY of a rebellion that began in a Long Island cellar last February. It is a tale of the first attempt to organize a large group of harassed urban home owners to "strike" against the rapid onrush of deflation which threatens their homes and their life savings. Whether these home owners succeed in their effort to tear a leaf out of the farmers' notebook remains to be seen. In the near future the daily press should be carrying bulletins on the skirmishes ahead.

Sunnyside Gardens is a home-owning community in Long Island City within sight of metropolitan skyscrapers. Between 1924 and 1928, a limited dividend corporation, under the capable auspices of public spirited citizens, built 563 one-, two- and three-family houses laid out in planned, landscaped blocks. Architects and town planning experts studied every model community plan before the first steam shovel was put to work at Sunnyside.

The community attracted a homogeneous group consisting of professional and business men, skilled mechanics and office workers. All went well until the Depression. Even then this group remained more sheltered than the average home owner for about three years.

However, by last fall, unemployment, drastic decreases in income and exhaustion of savings had made critical the situation of many home owners who were behind in their payments.

When threats of foreclosure became imminent last February, meetings were held and it was decided to ascertain whether the critical situation of some property owners was general. Under the direction of two residents, A. Anton Friederich, assistant professor of economics in New York University, and Thomas G. Herendeen, statistician, an elaborate questionnaire was prepared. This document listed more than a hundred



items showing in detail assets, liabilities, income and unemployment, and was designed to get a picture of the community in 1933 as compared with 1928.

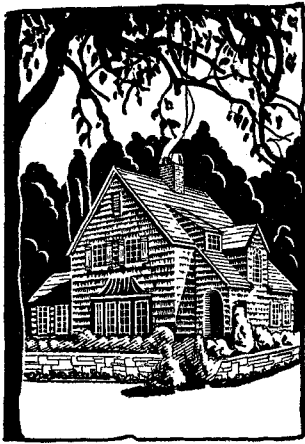
In February fifty volunteers, among them doctors, lawyers, engineers, statisticians, economists, teachers and students, gathered in the cellar of J. Charles Laue, one of the leaders of the move-

ment. Mr. Laue, a former editorial worker, unemployed for two years, had moved into his cellar so that he might rent the rest of his building and keep up his payments. In feverish haste the volunteers collated the information from the questionnaires, scanned the work sheets, tabulated figures, checked and re-checked them. Office workers in one corner operated two tabulating machines. Typewriters clicked day and night and in a few days the economic survey was completed for transmission to the agents and mortgage holders with a petition for relief. Eight hundred work hours had been expended on the effort.

What was happening in the meantime to the rest of the ten million urban home owners in the United States? They had sixteen billions of dollars in equities in their properties and most of them were in the same plight as their fellow home owners in Sunnyside Gardens. Real estate boards began holding meetings to cope with the problem. Mortgage holders, in individual cases, made modification of payment on principal and interest.

All these efforts, however, availed little as compared with the vast need. Early in April it was predicted that a revolution in the home mortgage world as to mortgage refinancing was inevitable. This was the judgment of D. E. McAvoy, chairman of the Long Island Division of the Home Mortgage Advisory Board. The Board is an independent organization headed by Frank A. Vanderlip, former head of the National City Bank. Organized to evaluate the home mortgage situation, the Board has been studying the problem from the national viewpoint in cooperation with the Federal Reserve Board. In April the findings of the Board, gathered from composite reports furnished from Buffalo, Rochester, Syracuse, Niagara Falls, Dutchess County, Westchester County, Brooklyn, New Jersey and Long Island, indicated that "the majority of the home owners are, either in arrears of payment of interest and taxes, or fast approaching that state."

Towards the latter part of April, President Roosevelt's plan to establish a Home Owners Loan Corporation under the Federal Home Loan Bank Board was announced. While some of the provisions of the proposed measure were approved, the idea was criticized because it would limit aid to properties not exceeding \$10,000. Another objection was to the mortgage limitation of 80 per cent of present day appraisals which, it was held, would make irrecoverable owners' equities of roughly 16 billions of dollars (1930 basis) and would write finis to the deflation of home-ownership. At the time of writing this article, it appeared likely that a new bill, prepared by the National Association of Real Estate Boards, would be offered as substitute for the Administration measure.



What has happened to the nation's ten million home owners during the Depression? No detailed study of the entire situation exists. However, the Sunnyside economic survey sheds considerable light on the problem, for the vicissitudes of the 530 home owners in this group may be taken as a microcosm of the national problem.

The total sales value of the 563 houses was approximately \$6,400,000, individual cost ranging from \$9,000 for a one-family house to \$18,000 for a three-family house. Payments against principal, together with improvements and the original cash outlay, total approximately \$2,000,000.

Tabulated results from the questionnaires show that 390, or 74 per cent, of the home owners were in "critical," or "potentially critical," condition with no hope that others would not soon find themselves on the toboggan.

Estimating the total assets, liabilities and net worth of these 390 home owners it was found that their net worth of \$1,890,800 in January, 1928, had shrunk to \$92,000 in January, 1933, a loss of \$1,798,800. In other words, the members of this group were worth five cents in 1933 for every dollar they had in 1928. This figure excludes their Sunnyside real estate assets and liabilities.

On the asset side it was found that unemployment had depleted, and in many cases wiped out, savings, compelled sale of securities and borrowings on insurance policies, while liabilities such as doctors' and other bills and personal borrowings had increased enormously.

Total assets of these 390 families in January, 1928, was \$1,937,600, but five years later these assets had shrunk to \$348,000, a loss of 82 per cent.

Year by year these home owners, eyes on the distant goal of possible retirement, scraped and saved. Cash reserves grew slowly, shrinking now and then due to illness and the multitude of unforeseen demands which eat into the tiny hoards of the average family. Susy's tonsils had to come out, Andrew's teeth had to be straightened. Arrival of the new baby made a big hole in the modest savings account. Then the big crash:

Unemployment!

Month after month passed. Months grew into years. Painful days for the idle family head. Daily visits to employment offices in search of work. No work to be found anywhere, it seemed. Slowly, dollar by dollar, the savings trickled into circulation. Grocers had to be paid. Payments had to be kept up on the house. Clothes could wait. They could be mended and darned.

These 390 families had \$719,000 in cash in January 1928, in the "good old days." Now it is much less than \$100,000.

In health and illness, fair weather and foul, joy and pain, a life insurance policy is a beacon that seems to betoken safety. Welfare workers find that in most cases destitute families cling to insurance policies when they

have made every other sacrifice. To the very poor, the small policy is guaranty of a decent Christian burial, insurance against the cruel dread of burial in some Potter's field.

But the lash of unemployment is no less stinging than that of scorpions. The tragic dwindling of resources led most of these home owners to the extreme necessity of borrowing to the extent of the full cash surrender of their policies. Others, even more sorely pressed, cancelled their policies, allowed them to lapse. No longer could they exorcise the horror of resting in an unmarked grave. From a cash surrender value of nearly \$270,000 these families found themselves down to an equity of \$83,000 in their policies.

Deflation in security values, linked with unemployment, was a double blow that wrought havoc. Today a bare \$75,000 represents all that is left of securities valued four years ago at more than half a million dollars. In fact out of their backlog of close to \$2,000,000 these families now have \$348,000, a loss of 82 per cent. That, of course, excludes their real estate, household and personal assets.

If the holocaust of the Depression had ended with the virtual wiping out of savings, bad as that was, it would have been almost a blessing as compared with what followed.

When the nest eggs represented by cash savings and insurance policies disappeared nothing was left except charity, or loans from friends or relatives. Nobody can measure the loss of morale involved in the extreme necessity faced by an unemployed man seeking a loan. But no extremity could be shirked when hungry children had to be fed. Loans were piled upon loans, friends and relatives were appealed to again and again.

With what result? From the comparatively modest liability of less than \$47,000 four years ago the red side of the ledger of these families grew to \$256,000, an increase of 449 per cent. Slight illnesses were neglected until they became acute, and medical attention could no longer be postponed. It is interesting to note that doctors report more acute cases since the depression than before, because of the neglect of ordinary cases of sickness. Dentists have had the same report to make.

Almost one-half of the home owners—47 per cent to be exact—were found to be in a "critical" condition with respect to home owning. In this large group every other family has one, or more, producing members totally unemployed. When these members paid their fixed outlay for their homes they had no income left. Almost one-half of the families in this group have exhausted all their savings, or have accumulated debts. The average debt of those reporting a net indebtedness was \$860.

More than one-quarter of the home owners in Sunnyside Gardens are close to the edge of the precipice. They are still in the "potentially critical" class, but can only be saved from joining those in the "critical" group by a miracle.

Even the 26 per cent who are in the "good" class are in none too good a position. Their assets are down to half what they were five years ago, and their liabilities have jumped 112 per cent. Hardly a good statement to borrow money on in case of need.

Taking an average of all the 530 Sunnyside home

owners it was found that the Depression had dissipated the assets and greatly increased the liabilities of all of them. Their net worth is now estimated at an average of 22 cents on a dollar of 1928 worth. Liabilities have increased more than two and a half times and assets have declined 68 per cent.

What does the record show in individual cases? Take the case of a union mechanic. Settling in New York from an up-State community, he yearned for a plot of ground of his own, and decided to quit collecting monthly rent receipts to own his own home. When he bought his place for \$18,500 in 1927, he had \$20,000 in securities and savings and apparently had nothing to worry about. A home in his old age was provided, and his savings would keep him when the time came to retire. The collapse of security prices took nearly all the value out of his investments. He is scraping the bottom of his bank account, and vacant apartments in his three-family house plague him.

Up to date this man's stake in his house is approximately \$5,310 and as he is in arrears in his payments foreclosure is threatened. A forced sale would bring possibly \$10,000 and under a deficiency judgment he would be liable for \$3,700. Bankruptcy will purge him of his liability, but he and his wife will find themselves paupers in their old age, having lived frugally and saved for the proverbial "rainy day."

Now this man is an unusually fine type of upstanding citizen, one who would ornament any community. He is the prototype of the sturdy, thoughtful farmer whom despair has driven to the ranks of the "farm holiday strikers." As a foreman mechanic of keen perception and a wealth of common sense he has always found a job waiting for him. In fact, up to 1929, he had hardly lost a day in his entire adult working life. Now, almost in the abyss, he is bitter, morose and filled with hatred for a government and a social system that rewards his years of faithfulness with prospect of an end as ward of the state.

This erstwhile scourge of radicals and "soapboxers" now listens to the preachments of all and sundry, no matter how extreme. Goaded by the doctrine of despair, his mind is tinder for the inflammable words of those preaching the gospel of revolt.

Puffing his pipe in the kitchen, he muses:

"They told me every man should own his own home. Makes a chap independent. Makes him take an interest in the community. Has to think about taxes, costs of improvements. Helps him to become a better citizen. I went through that mill. Where did it bring me? Sunk my life savings in a home. Probably lose it all soon. Would have been better not to own my home. Could have saved something out of the wreck then, maybe."

Day after day he seeks work that cannot be found. Each day despair is etched more deeply in his heart. Cynical, disillusioned, he feels lonely and helpless. Where can he turn? What can he do? To whom shall he appeal? Will some dynamic leader arise to direct him and his fellows toward destructive ends?

Here is the case of an accountant who is three to six months in arrears in his payments. He bought a \$9,000 house. Five years ago his monthly income was \$400.

He has been idle most of the time since 1930, and his "work relief" job gives him \$50 a month. He has paid off \$2,500 on his house and spent \$1,000 in improvements. He has spent the \$1,000 cash surrender value on his life insurance and has cancelled a portion of the insurance. He owes \$150 in doctor's bills, and has economized drastically on food, medical and dental care, clothing, education, recreation and the maintenance of his property. His \$2,500 savings has been spent. With it went \$7,500 in other assets, \$1,000 in securities and \$1,000 from his insurance policy. Assets of \$12,000 have been wiped out. Five years ago he had no debts. Today he is \$1,425 "in the red," including \$100 of personal borrowings, \$900 of other liabilities, \$150 to the doctor and \$275 on his wife's account.

Ten days a month this erstwhile accountant works in a park with a gang of men. Some were clerks, stenographers, secretaries, mechanics, laborers and workers in various fields. Today they are reduced to the status of common laborers dependent for a meager subsistence on a municipality. In a short time he and his wife will lose their home. Their arrears will be so large that he will be unable to fight off foreclosure. There is an end even to the most generous terms offered by creditors. What then? A furnished room somewhere. A ration of food which, compared to previous standards, can only be termed starvation. No surplus for clothes, recreation, medical attention, or any of the necessities of modern life.

There is a social side to the laborers' gang in the park. When men rub elbows as they do in ditch digging there are pauses for conversation. Ideas pass from mind to mind. Here is a common fellowship, the down and almost out. The talk is in fits and starts. It concerns the common things, food, clothing, bills, home. Inevitably talk turns to the future. How long will this go on? Can't stand this much longer. Something must happen. Did you see where the railroad president said in the paper that if his family was starving he would steal? He said a mouthful. Wonder what he'd say if he had to work for \$50 a month and run his home.

An engineer who earned \$600 a month in 1928, and \$400 in 1930, has been out of work many months. His last salary was \$140 a month. Owner of a two-family house in which his equity is \$3,500, this man estimates that he has lost \$7,200 in income due to unemployment. In 1928 his net assets were worth \$11,200 exclusive of his property. He had \$5,000 in cash, securities valued at \$4,000, an insurance policy with \$1,800 cash surrender value and an automobile worth \$400, and no debts. Today, or rather in February, his cash was down to \$35, his policy's cash surrender value was zero, and he owed \$580.

Graduate of an old eastern university and scion of a proud family with traditions deep in the conservative soil of New



England, the engineer has undergone an intellectual metamorphosis that would cause his ancestors to turn in their graves if they but knew of the change. In his boating days on the Charles, when life was sweet and the future beckoned, the engineering student was the personification of individualism, a worshipper at the shrine of *laissez-faire*. Success was a personal matter, to be achieved by the individual "if he had it in him." Health, ambition, brains—these would lead you anywhere.

What a different story today. Gone is the philosophy of individual success. Having cast off from the old moorings this technician is now an earnest student of Major Douglas and Orage whose writings in the "*New English Review*" are capturing wide middle class groups in this country with their philosophy of socialized banking.

The economic survey could not pry into the family cupboard of those who filled out the questionnaire but in one case, at least, it was discovered by accident that a family had been starving itself to keep up payments on the home. Neighbors found the parents and infant sick. The mother was rushed to a hospital where her illness was diagnosed as malnutrition. She died. Her husband had been out of work 14 months and they had exhausted their savings in order to keep the roof over their heads.

Embittered by the death of his wife, attributable to the Depression, this young father does not know where to turn, for he cannot hold on much longer. His home, he feels, will soon be foreclosed. What will become of his child? Perhaps a relative will come to the rescue. If not there seems to be nothing left but a baby farm, or perhaps an orphan asylum. Jobless and drifting to the nethermost depths of despair, what will be his future? The outlook is dark indeed.

Enough cases have been cited to indicate the pending tragedy of these families which once saw economic salvation, and security, in the ownership of a home. It has been shown that cancellation of insurance policies and exhaustion of borrowing powers is general. The Depression has dissipated the assets and greatly increased the liabilities of home owners. Nearly 75 per cent of bank balances were exhausted by the Depression. Four out of ten families have one or more income producers unemployed. The burden of fixed charges has cut the income available for other expenses to two-thirds of the 1928 level. The result has been an all around reduction

in the standard of living with many personal sacrifices that cannot even be guessed at.

Despair has so gripped communities that they have resorted to prayer. For many weeks the power of prayer has been invoked to save small homes in Queens Village, Long Island. Every Monday night more than 1,000 persons crowd into the auditorium of a little Roman Catholic Church which normally seats 700 and pray that the homes of 1,250 families of the parish may be spared from confiscation through mortgage foreclosures.

In the Sunnyside Gardens section of Long Island, another method is being invoked to save homes. Aggressive action by the members of the community whose homes are in jeopardy resulted in a resolution to "strike." To "strike" means a refusal to continue payments unless concessions are made *en bloc*, either by the mortgage owners or through intervention of the law in some form such as the pending home mortgage bill.

And the plight of the Sunnyside home owners can be multiplied by many hundreds of thousands. The normal, placid life of thousands of American communities is no longer the millpond that it was in the pre-Depression era. Bound in the shackles of despair, the small American home owner is on the verge of revolt against the social system which he once espoused as the ideal for the world. He is speaking harshly of patriotism, of loyalty to established institutions and of ancient ideals. His faith in the future is undermined. Old standards will no longer suffice. He is calling for "a new deal all around."

Just one thing is left to him—Washington. It is to the nation's capital that he is turning for help. He feels that even an ideal home mortgage measure would not save him now. His distress is due to the fact that he is jobless and that the long continued depression has thrown him for a heartbreaking loss. Only an early, general economic recovery would put him on his feet again.

Short of such an eventuality, what is likely to happen? Either relief will come from Washington by law, from the mortgage holders by voluntary action, or a large bulwark of the middle class will be driven to a revolt that will assume the proportions of the farmers' uprising. Such a revolt, furnishing leadership to the unorganized masses in urban centers, may well shake the foundation of the existing order and threaten its imminent collapse.

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Go Home, Young Man, Go Home!

NEW OUTLOOK's own Commencement Day address, prepared and delivered by Pare Lorentz, critic of the stage and screen, and a serious student of the Depression, even tells the young, unwanted Bachelor of Arts where he can go.

By Pare Lorentz

GENTLEMEN OF THE GRADUATING CLASS OF 1933: *Greetings!* About to accept your responsibilities, and to become a responsibility, to the state, you are, unhappily, as you soon will realize, forgotten men. Few people will welcome your immediate entrance into society. You are, gentlemen, to be frank, so many unwanted children. Doctors, lawyers, dentists, engineers and business men in the raw, you will quickly find what you obviously do not realize at this moment: the shocking fact that hundreds and thousands of older, wiser, abler men than yourselves are at present seeking what you seek: work.

You know, of course, that "times are hard." Your own college personnel directors have been kind enough to give you some idea of just how difficult it is going to be for you to find work. You know that less than ten per cent of the post-graduate professional men from last year's class have found work. And, too, you have heard from home. Allowances have been cut. Classmates have had to drop out of college. Old family friends have had grave misfortunes. Homes have been lost. You know all these things, but you can't realize them fully at this moment. You will, unfortunately, realize them only too well when you yourselves try to find a place in the world.

Yet I don't feel sorry for you, because you are young. If all of you marched out of here this afternoon without a nickel to your names, you at least would have age on your side; few of you have responsibilities, except to yourselves; you would not have worked twenty years only to find yourselves through, forced to start over again, as is the case today with many talented men.

But when I said a minute ago, you "*obviously*" did not understand the state of your country, I meant more than a general statement of unemployed conditions. You not only have been sheltered for at least four years

from society, which makes it impossible for you to know positively the grinding burden of idleness; you also have been deluded—not for four years, but for a lifetime.

Not wilfully, let me add, but completely, deluded. You yourselves are proof of that. Look at your own record. Is there a magazine, a newspaper, a representative body among you that has even

an attitude toward national politics, economics? There is not. Have you even made an effort to understand the causes of approaching war? Have you even seriously considered what you might do about war, were it declared tomorrow? You have not.

Of course, during your cloistered years a (let us put it gently) cautious national press and administration refused to be annoyed with the facts. Daily bank failures, buried in city papers among patent medicine advertisements. A march on Washington. Bloodless revolution in the farm country. We all were going to turn the corner, and you waited with the crowd. But the real reason, you, of all people, did not concern yourselves, was because of the great illusion you inherited. And that, gentlemen, is what I want to talk to you about—not about how hard it is going to be for you to find work, not how strapped the nation is, nor how many incompetent, crooked, or greedy men we may have had in public life.

I don't want to give you statistics on unemployment or advice on where to find work. The serious problem that faces you is the very way of working. Because you inherited an illusion about your country, so strong, to-day you are about as fit to start tinkering with the machinery of business existing in this country as a small boy is able to postulate Einstein's theory. I don't feel, either, that you are especially stupid and lazy; on the contrary, I think you are soberer than the classes of ten years ago. But you have a job ahead of you, and you might as well realize right now that the country you think you live in does not exist.

You were born and bred and fostered on a pioneer religion. Whether you know it or not, you read it in your classrooms, you played it in your games, you heard it on street corners, you ate it, slept it, dreamed it and lived it. A great lusty juvenile religion, a national bumptiousness and unshakeable confidence. You belong to the country of the westward migration; the forty-niners; the railroad builders, the land boomers, the wildcatters, the copper kings; the country of Boone, of Jim Hill, of Henry Ford, of Owen D. Young. Even our last President was an orphan who first made a fortune and then the White House.

Well, following the concentration of industry for the World War, that country was put to work running a machine so complex, so intricate, you don't even begin to understand the nature of it. How could you? You were born to believe that with time and luck all things were possible. And so did your fathers. And even now they themselves are only dazedly beginning to understand just what happened to them. What happened to



you is simple—the country you think you live in was snatched from you.

I don't expect you to believe me, because you have too much confidence, and I like that; furthermore, you yourselves do not realize how deeply you believe in this great illusion. Things will be better. Certainly. But for you, fundamentally different. And I don't ask you to believe me. I send you to some good witnesses. I send you to the class reunions of the men of '22, '24, '28. Talk to them and listen. What will you find? Confusion and disillusionment. Not because they are poorer than they were, or out of work, but because they followed the great illusion and discovered suddenly that they had no idea of whom they were working for, or why.

Furthermore, they can tell you what you quickly can discover for yourselves: stay away from the few great cities. Because of the great urge, you, just as those veterans did, believe that only in the city can you find the power, the opportunity and the glory. Today, no matter how commodity prices improve, land values rise, or men are put back to work, the fact of the matter remains that the city is over-manned.

Ask your doctors. For every interne placed in a reputable hospital there are hundreds drumming their heels, wasting their time, trying to find a position in the city. Harvard Law Review men are trying to find work as twenty-dollar clerks. Beaux Arts prize architects of reputation and standing in their profession play checkers in their empty offices. Not a day passes that a magazine editor does not get a letter from a promising novelist, a city editor, a writer of experience and talent, willing, and pleading, for work of any kind.

You, of course, believe the world is your apple: that with courage and ability you can do anything. That is an asset. But it is a foolish credential today in Detroit, Chicago, or New York simply because those cities are overmanned—not just because of the Depression, but because of the thousands of skilled men who rushed to the city following the Great Illusion: and today in the few urban centers for every one of you willing to start at scratch there are a hundred proved, able, even well known men, asking for the same chance.

Again I send you to your own campus veterans. Since the World War all of them had been going to the city. The great machine started to get up speed. Concentration of power, wheel within wheel of control, was just under way. The small town had limited money; old-fashioned ways; strict morals, and generally a dull life. So the doctors, lawyers, engineers, and the B. A.'s went to the city—not just for money, but because of the great urge; exactly the same, striving, inexplicable urge that caused your grandfathers to abandon their farms and move West. The timber had been cut, the iron discovered, the railroads built, when they left college—but the new super-corporation era represented another gold rush. Picked men were recruited by the hundreds to join gigantic organizations. You know that.

Talk to them, the veterans of the 20's; professional men, specialists and B. A.'s. In the great city lay money—opportunity—power. And they were right at the time—just as right as the hundred thousand who moved

West a century ago. The small town was shattered by the new industrial concentration. Its light—its produce—its automobiles—its capital—its clothes—its entertainment—its jokes, even, overnight became the property of urban centers. Only the old and unfit remained at home.

Everything about the New Industrialization was youthful. A company is formed in 1922—bingo!—

by 1925 it is doing a half billion dollars worth of business. Another giant takes over half the electrification of a foreign country—an engineer notes the record of the deal on the back of an old envelope! A new gadget is invented—a new company is formed—stock is floated—pressure applied—and they're off!

And the hundreds and hundreds of lads who became super-drummers, touring the country for big business in one capacity or another; all those who learned the new jargon and the routine of this super-industrialization, this whole expeditionary army of promotion, used the lingo of the frontier. They *took* this territory—they *licked* this problem—they roared in and out of commercial hotels—threw gin bottles out of windows—slept in Pullmans, cheap rooms—anywhere, for any wage. Boy, they were *going places*!

And it was not just the business men. Urban life, with its discomforts, its easy morals and hard drinking, was a part of the great industrial fly-wheel. The money was there for the getting. Any bright lad could, and many of them did, make money.

But talk to them now and you will find hundreds of the boys from '23 and '25 who are right back where they started. Or ask any frank corporation personnel man about employment turnover. Or talk to any young city interne. Or talk to any young law clerk. You will find, not so much confusion at wage and unemployment, but bewilderment that the zest has gone out of the game. Because they really were not going places. Because they weren't pioneering. Because they weren't resting on their own strength—they were part of the most complex financial concentration in the history of society. And the excitement fooled them, just as it did you. And now that the giant structure has had to cut down its own gears, now that the government is pumping billions into the real cultural centers of America, whose life-blood was drawn out by urban industrialization during the decade of the great gold rush, they are right back where they started.

Those who still are trying bewilderedly to go around with the big wheel are, for any profound knowledge they have of what caused the machine to run down, just where you are today, gentlemen. They are right back where they started. Except they are tired. Those hundreds who are out of work are still remembering the excitement, the urge of the city. But they have credentials—they are waiting ahead of you in line.

And you still can't believe it. You think the band will come around the corner, and the parade will start



up again. I say you're deluded, but I also say you are fortunate. You're not going to have a chance to live that insane, hysterical, exciting, city life, because a majority of you are not going to find employment in the city, for all your courage and for all your effort.

And I think you are fortunate because there is a job to be done. But before I go into that, before I answer your natural question: why aren't the cities, even in scant times, the best place to start a career?—I would like to explain specifically that I do not think the private corporation, *per se*, is an engine of destruction. On the other hand, few of your older men, few of your fathers, cared to what frenzied extremes these engines were developed. Even the men running them had no conception of the ultimate influence, the very scheme—the idea—of the remote-controlled corporation—would have on the country at large. There was no check. There were no able state legislatures; no Tom Paines; no honest, or acute, administration objectors. The machine simply ran itself off the tracks.

But I don't want to engage in a discussion of finance. That is being carried on by experts. What I do tell you is that, ignorant of even the first principle of the modern private corporation, or of the tremendous changes it brought about, hundreds of your upper-classmen mistook it for a breezy frontier institution—when, by its very impersonal construction, it is a disciplinary, unindividualistic organization. And, again, I don't say that even a majority of you are interested in the corporation, or its work. But I ask you to talk to the veterans around the campus of that army of the 20's, and then, perhaps, you'll begin to understand what made the wheels go around; begin to understand what they have just learned: that the machine was built before they got to it; that they were just going around with it; that they themselves meant little, or nothing, in the life of the great era.

And so I tell you the country you think you live in does not exist. I tell you the pioneering is over. And I tell you that your job needs more than time and luck. It needs more than careless enthusiasm. It needs patience and a sobriety that comes hard to you, ignorant and unconcerned as you are with the reality of the modern world.

Up to this point I have tried to realize how strange you will feel released from college and thrust into life, prosperous or otherwise, and how you are as much victims of a detached, complacent educational system as you are of your own cheerful ignorance and confidence.

But I feel a measure of sadness at the extravagance of youth as it was tossed into a barren war of exploitation for ten years. Last summer I realized it, I think vividly for the first time. We were talking in Trinity College at Oxford with a few Englishmen, and stopped before a tablet in the shadowy chapel. It reached almost to the vaulted, dusky ceiling. It listed the dead from the classes of '14 to '18. More than any economic treatise ever could, it was a simple indictment of a laboring nation which has had to live for fifteen years on old veins, old bodies and old brains. The country, one felt, had been dozing for a decade, geared to the faltering pace of the old men. The young were all dead.

While we lost only a quarter of a million men, never-

theless, by a strange economic fever, your own country, particularly the great rural part of it, has been turned over to the old, the unfit and the feeble, and we are paying for it through the nose.

That is, the small town, the small city, for ten years was deserted. As truly as England, a whole generation was shot out from under it. And I can think of no better place, or way, for you to start work than to go home. Go home. Look at it, wherever it is. You will find it just as your upper-classmen left it: in the hands of the old, the incompetent and the unfit.

And I don't care what your ambition is. There is no part of home town life which doesn't offer opportunity. Your district attorney's office; the home town newspaper; your hospitals; your builders; your merchants. What do you find?

Your courts and legislatures have been content to follow their national parties, obsequiously picking up whatever crumbs the bosses tossed them. Your hospitals—God knows here is opportunity (as a government commission on medical care can well verify). Your newspaper is content to buy New York columnists and to feature articles about Chicago gangsters. Your housing is fifty years behind the times, and your merchants have long ago given over to the chain stores.

Your farms are loaded with mortgages, your banks are closed, and your state is groaning with taxes, and, having lost its identity and birthright, is feebly petitioning for Federal aid.

And you, of course, feel that all this is only an indication of how disgraceful going home must be, how imperative it is for you to go to the big city where they are doing big things in a big way. And, in a way, I think you have been cheated. There isn't any new land for you to exploit as carelessly and bumptiously as your fathers, and there is no place for you in the city. You can't start at scratch — you have to start far below scratch.

And, what will probably surprise you, you will find a pathetic group of people who are willing to listen to you. There are a great many people in your home who never thought an automobile, a radio and a shower bath constituted a high standard of living. There were several merchants who didn't know, or agree to, the manner in which the local power plant suddenly became a pin in a great utility system's load chart. There are a few lawyers who would not object to a court which wasn't conducted like a musical comedy. Most important you can find, fighting in your own back yard, a substance which the veterans of the cities never have found; you can find what they thought they were following: the great illusion of independence, of free living, of private enterprise.

Of course, there is only a simple answer to the question: how to start to work when you do go home. You've got to start by making yourself a part of it. It's a tedious, toiling job to take control away from the agencies of remote corporations, from the sterile and complacent unfit, but, after all, it's yours, and you're young and have your mistakes to make. It's an old country. But it needs reclaiming. I'd go back and take it over. And, gentlemen, I wish you luck.

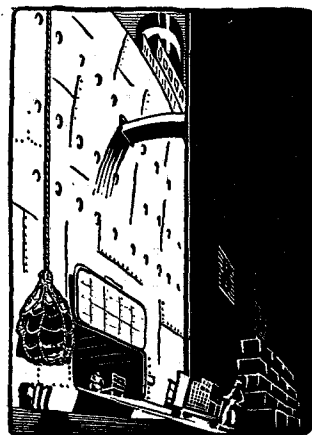
The U.S. in This Economic World

George E. Sokolsky, author of "The Tinder Box of Asia," and a frequent contributor to NEW OUTLOOK, reviews the foreign trade weapons at hand to the United States in the World Economic Conference.

By George E. Sokolsky

THE ESSENTIAL PROBLEM which faced Mr. Roosevelt, and which now faces the World Economic Conference, is the raising of prices. Every step of the Roosevelt economic program has been designed to achieve this objective; every conversation with the representatives of the European, South American and Asiatic powers, who flitted in and out of Washington during April and May, adhered to this pattern. Through it ran a vicious, an ugly circle: low prices equals unemployment; unemployment equals low prices. To cut through this circle, during the past four years of harrowing Depression, every device known to the economic history of man has been suggested, and some have been tried in different places. Deflation, reflation, inflation; the highest imaginable tariff; pegged prices for specific commodities amounting in effect to government subsidies; doles, bonuses, labor camps—who can list all the schemes and all the devices aimed to push prices up? Yet, they came tumbling down, destroying vast accumulations of wealth in trade and industry, straining the world credit structure, driving country after country off the gold standard, leading to a war in Asia and to Hitlerism in Germany, upsetting every international balance, throwing millions of human beings into the spiritual morass of economic uncertainty and despair, devitalizing the morale of even the richest and most powerful countries.

This is the problem that no political leaders of any economic and national unit can burke. It stands ever-present. Slogans about the law of supply and demand, cheering prognostications by the great men, have not availed to lessen the force of the fact that there has been in all countries—in all economic units—a greater production of goods than can be moved and consumed within the existent capitalist structure, which is still, in spite of the experiment in Soviet Russia, the only structure



that we know how to handle. This over-production was an inevitable concomitant of the necessities of the World War, when the products of the decades of economic activities were being wiped out, not only in the countries of belligerents, but throughout the world. It is brilliant hindsight for the planners of great civilizations to say now that the economic expansion

during and immediately succeeding the war could have been planned to meet accurately appraised requirements. No one could have known when the war would end; no one could have guessed how much of the goods of the world would be needed; no one could have gauged the necessities of reconstruction after the war.

Upon the United States, in particular, fell the burden of increasing its agricultural and industrial equipment to meet the demands of the warring nations. It is true that out of that expansion there came to the United States what appeared at that time to be colossal profits; actually, those profits have been destroyed in the liquidation of the war credits, in the fall of values during the Depression and in the effort to prevent the crumbling of standards of living in Europe and the United States. When the Depression has gone the way of history, it will be interesting to strike a balance between the American profits during the war and the American losses arising from the effort to liquidate the economic results of the war—for the present Depression must be regarded as the final, but not yet completed, phase of the World War.

The over-production of both raw and manufactured commodities has only too often been stressed during the discussion of the Depression. It will perhaps not be amiss, however, to bring boldly into relief the fact that without a parallel increase in population, increased production can only be premised either upon a rising standard of living, or upon such a destruction phase as the World War. The League of Nations World Economic Survey, 1931-2, which considers principally the causes and tendencies of the Depression, gives the following guide to the relationship of production to population:

World Production in 1925 compared with 1913

(Percentage about)

Increase in world population	5
Increase in production of foodstuffs	10
Increase in production of raw materials	25
Increase in quantum of world trade	7

Comparing 1929 with 1925, the figures are equally interesting.

World Production in 1929 compared with 1925

(Percentage about)

Increase in world population	4
Increase in production of foodstuffs	5
Increase in production of raw materials	20
Increase in quantum of world trade	19

Three factors entered into this situation which tended generally to confuse the picture.

First, during the war, because of the restrictions upon the free movement of goods and the rise of nationalism, every country sought to become as self-sufficient as



The insecurity of European affairs after the war tended to encourage this process. The ease with which it was possible to borrow capital in the United States, Great Britain, and France, between 1921-9, accelerated this process, until every country was seeking not only to export, but to prevent imports. Everyone wanted to sell; no one to buy.

Secondly, all these producing countries sought developing markets in South America and Asia, and particularly in the latter areas, they entered upon intensive and cut-throat competition. The assumption was that in Asia at least a billion consumers were ready for the surplus production of all European countries and the United States. It was soon enough discovered, however, that the so-called silver-using countries of Asia were not important consumers of the world's goods, because the standard of living of the population was low, too low for a large import trade. As Sir Arthur Salter wisely said, in an address on "The Silver Problem:

"... What we want to bear in mind is that if China had twenty per cent of the world's population before this depression, she took, not twenty per cent, but two and a half per cent of the world's exports. And so it is with all the silver-using countries together. If they have fifty per cent of the world's population, they used to take in normal times not fifty per cent, but ten per cent of the world's international trade."

The effort to capture the markets of these silver countries was, and is, based upon a total inability to understand that these countries cannot produce ample exports to justify large imports. Furthermore, it led to a further error that if silver were increased in value, artificially, these countries would take a larger share of the world exports. As a matter of fact, the trade with such a country as China during 1929-30-31 held up remarkably well in spite of low silver—although the value of this trade tends to be exaggerated until it is computed in terms of American dollars.

Thirdly, there has been a curious psychological dislocation of the use of commodities during the post-war period. The type of foods eaten, clothes worn and houses built, altered. Instead of a bulky bread diet, human beings tended to diversify their foods, even to reduce the quantities consumed. Women wore less clothes, and of constantly changing fabrics. In the sum total, this tendency had the effect of destabilizing many industries, leading to shifts from one to another, and

possible. This led to the diversification of crops and industries, so that at the end of the war, countries which had been importers of particular commodities before and during the war, now possessed, if not fully developed units of production for most commodities, at least a sufficiently developed unit to dislocate the trade of countries which depended upon export.

placing upon the entire economic structure an additional strain.

It is impossible here to enter into a discussion with regard to all the causes for the fall in prices; we have rather to devote ourselves to one of the principal factors in the Depression, namely the erection of barriers to impede the free movement of goods. These barriers, which consisted, not only of high tariffs and import quotas, but also of the attempt to raise prices by subsidies and production agreements, tended only to produce continued and wholly artificial over-production. Furthermore, much of the operation of production and trade was financed by credits, to such an extent that the Gold Delegation could state: "One of the major defects in the economic organization today is that debt has so largely taken the place of ownership."

The concentration of gold in the United States, France, Belgium, Holland and Switzerland made it impossible for the debtor nations further to meet their obligations except by the movement of their goods, but against their goods high tariff barriers had everywhere been erected. Furthermore, the creditor nations, including Great Britain, sought not only to collect their debts, but also to sell goods and provide services to the debtors. As long as they lent the debtors money with which to buy goods, it was possible to maintain an export market, but when an end came to lending the market collapsed. In effect, the creditors gave the goods away in order that they might maintain their own production at a high level, for most of the credits provided in this manner are in default, and are not likely to be repaid. In fact, if any attempt should be made, by force or some other drastic means, to collect these debts in default, under present circumstances, it will become wholly impossible to recreate a market for surplus goods in important consuming areas. On the other hand, one of the effects of the working of the law of supply and demand, during the period of the Depression, has been so to curtail both production and consumption as to give some hope for a renewed market, once trade barriers are removed and certain currency problems handled.

The trade war, which the struggle to maintain production and to capture and hold markets represents, has been a ghastly phase of the World War. Its effects upon the human race, and upon our particular civilization, cannot yet be measured; we are too close to it. Even more than the military phases of the war, it has, beyond question, altered the complexion of western civilization.

The role of the United States in this situation has been unique. Even more self-sufficient than Soviet Russia, the United States might have avoided becoming a factor in the European economic situation. For better, or for worse, the United States did not choose to remain out of the picture; it became the principal creditor of all producing countries and then raised the highest tariff barriers against their goods, so that they could not, after gold had become concentrated here, pay their debts, or purchase American goods. Furthermore, no country expanded either its agriculture, or its industry, as profligately as the United States during the war or post-war period. Finally, when in 1929, Americans

could not consume all that was produced in the United States, the export market was also unavailable because of high tariffs, the high price of American goods and the high exchange of the American dollar.

The Tariff Act of 1930 must be reviewed in the face of the facts. It is still difficult to understand that tariff. Designed originally to help the farmer to maintain his prices and his food producing factory which was expanded enormously to meet the war demand, by log-rolling and sectional politics it became an economic monstrosity. For not only were the rates generally increased in the United States, but other countries took steps in retaliation. For instance, during 1932, tariff rates were increased in more than half of the 65 commercially important countries, according to a Department of Commerce report. In addition, trade-control measures increased generally, the Ottawa Conference, which extended "the system of tariff and other trade preferences among the areas constituting the British Empire," serving as the most striking example of efforts to carve out economic empires. Most of the increased tariffs and trade-control provisions were aimed at the trade of the United States. When it is realized that in foreign trade Canada is our first customer and Great Britain our second customer, then the significance of the Ottawa Conference becomes more clear.

Many Americans are of the opinion that the United States could well afford to withdraw from foreign trade, particularly as it does not generally amount to more than ten per cent of our annual production of goods. The "Buy American" campaign represents that point of view. I have even heard it seriously suggested that it would be more profitable to forego the debts (which probably will not be collected anyhow) than to struggle to build a position in foreign markets. Except for coffee, tea, silk, rubber, tin and a few other less important commodities, what does the United States import which it cannot produce in the United States? Furthermore, our chemists are producing substitutes for the articles which come from abroad, as for instance, Mr. Ford's experiments with rubber from weeds, the development of synthetic camphor, the substitution of aluminum for tin, and so on. Could not this country become altogether self-sufficient, growing everything, producing everything that it requires?

This question can be answered in the affirmative without reference to many statistics. The United States is obviously in a fortunate position. But the adoption of a policy of self-sufficiency involves economic and social changes which may become more difficult of accomplishment and more burdensome than a pursuit of foreign trade. For, if we produced only as much as we consumed, the problem would be simple; we should then only have to decide whether or not we should produce an additional quota for foreign trade. That problem once faced the steel industry when James A. Farrell sought to organize the United States Steel Export Company and the difficulty encountered was in obtaining a quota of production. But that is not our problem any longer. We are definitely faced with an equipment and a personnel which by 1929 was producing, not only more than this country could consume, but more than it could consume at home and sell abroad.

Take, for instance, locomotives; in 1921, this country exported 1,012 steam locomotives valued at \$33,696,331; in 1925, it exported 363 valued at 7,022,123; in 1930 it exported 47 valued at \$673,110. In 1925 this country produced 4,266,000 motor vehicles; in 1931, this was reduced to 2,390,000; of this number 377,100 were exported in 1925, 217,800 in 1931. In 1929, American industry consumed 466,000 tons of crude rubber, in 1931, 348,000 tons. These are random figures to indicate the tendency downward in the utilization of existing equipment, labor, raw materials and services. It is, of course, possible to scrap plants, to reduce working hours, to move masses of population back to farms, to lessen the number of service organizations, including means of communications, such as the railroads and steamships, until production meets consumption on a self-sufficient basis. That has, as a matter of fact, been attempted, which is one very important reason why approximately 15,000,000 Americans are out of work.

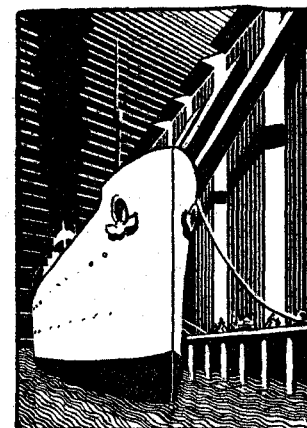
The alternative to this process is foreign trade if it can be obtained, and if adjustments can be made in our economic system and our foreign policy to meet the demands of foreign trade. That is what Mr. Roosevelt has apparently been discussing with the representatives of each of the countries involved in trade relations with us.

The error as to the value of our foreign trade is a mathematical one arising from finding a ratio between the total American production to the total of our foreign trade. This distorts the picture, for it disregards the elemental factor that the American exporter is an American consumer; that what he gains from foreign trade, he spends here in the improvement of his general standard of living.

In 1928 (which year is used because it represents the height of expansion for the last full year before the Depression), the total exports of American merchandise amounted to \$5,030,000,000; of this amount \$2,304,286,000 consisted of crude materials, crude foodstuffs and semi-manufactured goods. In a word, nearly 50 per cent of the total American exports during that year were, on the whole, agricultural, or mineral products, either in a raw state, or prepared for manufacture elsewhere.

Take raw cotton as an example: in 1927, the United States produced 15,760,000 bales, which was valued at an average price of 18 cents a pound (1 bale equals 500 pounds). The total exports for that year amounted to 8,120,000 bales, valued at \$820,537,000. In other words, more than 50 per cent of the total production of cotton went into export.

Wheat, upon which so many Americans depend for their livelihood, in 1928 amounted to \$887,184,000 for the entire United States; in that year, the United States, exported \$193,743,000 of this commodity including



flour. It should be noted that in the previous year the export of this commodity represented \$324,836,000. The price of wheat has been falling steadily since 1925.

Of the non-agricultural raw, or semi-manufactured, commodities exported from the United States, petroleum in 1928 was produced to the value of \$1,054,880,000; in that year, exports of petroleum and its products amounted to \$525,853,000, or just under 50 per cent.

In isolating these commodities, I wish to point to the importance of the export trade to *particular commodities* and to *particular sections* of the United States. If we do this we see the error in the off-hand generalization, so often used, that after all "our exports average" not more than 10 per cent of our [total] production. In the case of the South, in relation to cotton, tobacco and petroleum this is not true. In the case of the Middle West in relation to grains this is not true. In the case of the Rockies and in the Far West in connection with minerals, particularly copper, silver and oil, this is not true. Even the ratios included in any farm allotment plan must take exports into consideration.

And this brings us to the very complex question of silver. Traditionally and psychically silver is regarded as "precious," only less so than gold. For three centuries, silver was, with gold, the standard metal for monetary use. Economically, silver is a commodity, like potatoes, or corn. Its price, unless pegged by subsidies, or by international agreement, is affected by the law of supply and demand. The ratio between gold and silver had, for three centuries, hovered in the region of 15 to 1, falling to a low of about 39 to 1 in 1902; then it rose again during the war and immediately after, because of the depreciation in the value of gold and the Pittman Act in accordance with which the United States Treasury pegged the price of American silver—without any sound economic reason for so doing. When the pegging operation ceased to interfere with economic laws, silver began to fall, and by 1932, it reached the all time low of 72 to 1.

The United States, being a silver producer, is particularly interested in this problem. The states of Utah, Idaho, Arizona, Montana, Nevada, Colorado and New Mexico, totaling 14 Senators and 13 Representatives, most of them Democrats, have been most anxious that the United States should take some action with regard to silver. In 1930, with silver at a low of 53 to 1, these seven states produced only \$8,578,000 worth of silver. It is obvious that the value of silver can be doubled, or quadrupled, by Federal pegging, and this has been advocated, always on the grounds that if the price of silver goes up, China and British India will purchase larger quantities of American goods.

This argument has been complicated by the fact that silver, not being perishable, has almost a permanent existence once it is placed in circulation. A certain amount is lost, or destroyed, of course, and there is an element of erosion, but most of it remains. We know that since 1492, about 15,000,000,000 ounces of silver has been mined and placed in circulation. How much was mined before that is not known. It is estimated that India, since 1492, has absorbed 4,500,000,000 ounces and China 2,500,000,000 ounces, but these estimates are regarded as low, since it has been impossible to ascertain the size of privately held hoards in either country. Experience

has shown that when metals are high in value, both India and China disgorge large amounts: the Japanese, during the war were able to buy up millions of dollars of copper coins in Shantung; more recently, China has made large shipments of gold which undoubtedly came out of hoarded stocks. Attempts to improve the price of silver during the past five years have always resulted in the sale of demonetized silver by India, Indo-China and other Asiatic countries. It has often been suggested that these countries should restrict sales of silver, but they have never regarded it as necessary to make such a sacrifice in the interest of American silver miners. They met each rise by unloading.

Nor is there any statistical justification for the assumption that a rise in the value of silver would involve an increased trade with China. As a matter of fact, imports from the United States increased in volume in 1930 and 1931, although there was a decrease in value because of the general lowering of prices. Furthermore, the consumptive capacity of China is limited by the low standard of living of the Chinese people, so that the total imports into China have never amounted to more than \$1 per capita. It is true that potentially China shows prospects of becoming one of the great markets for American goods, but when that day comes, China will probably have reorganized her monetary system to become part of the general world system.

Silver, in the United States, is a political issue, which does not really affect foreign trade, but which does affect the domestic economy of seven states. It may be wise politics to serve these seven states by an international agreement restoring to silver a greater value. It may even be sound economics to assist an American industry over a rough spot, as shipping and cotton have been assisted. But it is not sound to regard the rise, or fall, of silver as playing a great role in either bringing about, or ending the Depression.

If the foreign trade of the United States is to be taken seriously, however, it is essential that the tariff, that is the barrier to the free movement of goods, should be raised, or lowered, not whimsically by senatorial bargaining, by log-rolling and sectional agreements of mutual support, but as a scientific working of a system of promoting trade while protecting indigenous industries. This formula involves a large number of items which would be admitted free on a reciprocal basis; that is, if specific American goods were admitted free in those countries. It is impossible to sell if we will not buy; on the other hand, it is equally unsatisfactory to permit the dumping of goods produced by cheap labor, on a low standing of living, in this country to the detriment of the American standard of living. Perhaps Professor Taussig has best stated the problem when he says:

"... the question ... will be ... not whether the United States shall be a manufacturing country, but in what direction her manufactures shall grow—whether in those where aid and protection against foreign competition are constantly sought, or in those where natural resources and mechanical skill enable foreign competition, not only to be met, but to be overcome on its own ground."

In the past, the American tariff has been regarded

merely as a revenue act; incidentally protecting rather aged "infant industries." The post-war experience has been that the tariff fits rather in another category of the business of government, namely, in the foreign policy of the country. The United States has not, until Mr. Roosevelt became President, supported the idea of the tariff becoming a question for international consideration and agreement. The conception of a bargaining tariff seemed to be obnoxious. Yet, the fact remains that the only immediate result of Mr. Roosevelt's conversations with the representatives of Europe and Asia has been the "Tariff Truce"—a truce of God, as it were, to keep tariff barriers from being raised higher than they were on March 4. The World Economic Conference will face this problem as the most pressing item on its agenda. In the second annual report of the President of the Bank for International Settlements we find the following:

"All the evidence available leads to the conclusion that a hope that a single country may achieve prosperity apart from the rest of the world would indeed be based on insecure foundation.

"If the relative position of the international balances of payment is continuously to be upset by changes in tariff barriers, with profound effects on the equilibrium of the different countries; if the flow of capital from one nation to another is to be dammed by obstacles which make the fulfilment of contractual obligations virtually impossible, with the attendant destruction of general confidence, then the international monetary system cannot be expected to exist unless international relations in the economic field are radically improved."

The job of the Conference will be to get goods moving, and moving freely. As a corollary, capital will have to move freely. The evidence of the past four years, when everybody wanted to sell and no one to buy, has been that we did not stand still. We went down. National legislation cannot solve this problem, because it takes at least two countries to strike a bargain, and actually all the principal commercial countries have to be included. The bargain to be struck is a simple one to state, an inordinately difficult one to work out. The bargain must be to buy as well as to sell, to lower many of the tariff barriers, to get goods moving. Only by international agreement, but even more by assurances that there will be no sudden changes by legislation to upset arrangements entered into, can there be any hope for success. The tariff then becomes subject to agreement and treaty, subject to negotiation between the Department of State and various Foreign Offices rather than between committees of Congress and committees of manufacturers' associations. This program demands that the tariff should be taken out of politics and should become a scientific instrument for the promotion and protection of agriculture, industry and trade.

It may not be possible to promote this conception of the function of the tariff in the United States. It may happen that all of Mr. Roosevelt's conferences have been in vain. But it also seems to stand as a beacon that if the tariff is not treated as an instrument of foreign policy in the United States, Europe, Asia and South America cannot be rehabilitated, and the United States will not be able to sell her products on those continents and these markets must go by default.



Touch and Go!

"Anonymous"—for obvious reasons—discusses certain problems of personal economics which have been conspicuous by their absence in recent Washington dispatches.

BEING BROKE IS A BORE.

It is a lot of other things, too. It is humiliating to the "amour propre," devastating to the figger, ruinous to one's public relations and outraging to one's belief in current social systems. Speaking more materially, it is hell on one's watch, cuff-links, scarf-pin and progressively, the family silver, bric-a-brac, books and finally book-ends. But all these might be survived were it not for the blasting boredom of it: that rising in the cold light of dawn with the double burden of looking for work and raising five dollars, four dollars, three dollars, two dollars, or one dollar for the current necessities.

Like all other things in life, being broke is relative. But there are also stages of being broke, conditions of being broke and degrees of being broke.

The thirty-third degree of brokedom before 1929 does not qualify one for even the third degree of the present era. Grand-masterships are conferred only on married men, whereas the Grand Dragon must be a man who has accepted the gracious gift of his wife's jewelry for pawn and has lived to hear about it. *Ah, si jeunesse savait! Si vieillesse pouvait!*

But as we were saying, previous to November of the Great Breaking of the Camel's Suspenders, being broke was a lark. Fifty dollars here, sixty there, a fast one on the landlord, a quarter of the value on one's trinkets, and then the draught was broken, and one was only mildly inconvenienced by paying back the friends and redeeming the jewels.

Today, there are no friends with fifty dollars, or forty, or even twenty. Raising ten dollars is more difficult for the fellow without a job than collecting reparations was for all the Council of Ambassadors and the

Reparations' Commission plus the French Army.

First, one must select one's victim with great judgment, and such judgment can be gained only by experience. The first devastating disillusionment comes from one's rich friends. A million-dollar income tax, it appears, is harder to pay than a hundred-dollar one. Certainly it leaves the payee with a greater sense



Anonymous

of financial insecurity. And then the millionaire is a philanthropist. He uses his money to build a hall for a university, not caring who pays the professor who disseminates knowledge from that edifice, or whether he is paid at all. He can carve his name on the hall, and he can't carve it on the professor. Maybe that's one reason why our great universities are turning out communists; the professor is broke.

The millionaire can't carve his name on the friend who is negotiating a loan, and it is, therefore, impossible to put the friend in the class of philanthropy. Lending without collateral is not business-like, and helping a friend is impossible when one has had to give the government a million dollars.

The best prospects are those with salaries under fifteen thousand a year. Five thousand dollars is the best. The ten- and fifteen-thousand dollar men may have invested in a suburban home. The five-thousand dollar one may have, too; but it doesn't make much difference with him. It's touch-and-go any way he takes it. He never has quite enough, and is always putting something off until next week. He is the real "pal in need."

Having classed the victims in general, one must select one in particular. Of course, a judicious space of time must have elapsed since the last touch. Even ten dollars given with a joyous heart may be inconveniencing. And then, too, habits are boresome.

Further, one must remember the story one told the victim last time. To be sure, the victim doesn't believe any story, but he likes to have his money's worth and repetition is a bore. Furthermore, the victim likes to think that his money is being used for something more than a walk around a squirrel-cage.

If you have told the victim, the first time, that you are going to have a job next week, then you must, the second time, tell him, convincingly, too, why you didn't get that job. Poise and a look of desperation are great factors. You must cultivate poise; desperation comes naturally. If you make the mistake of giving him a sob-story, he will pay and duck you on future occasions.

Being broke, therefore, is something of a strain. One must train one's memory. One must remember not only previous stories, but one must remember the sums received. When you ask a man for a new loan never forget to tell him how much you already owe him. Sometimes it is a good thing to add on a dollar or two. Its good salesmanship. In this era he isn't really expecting you to ever pay him back, but it flatters him. And what harm does it do? He would gladly settle at any future date for ten cents on the dollar.

Leave out all mention of the wife and children. It might remind him of his own responsibilities.

Pay day is a bad day to strike a friend. It is then that he realizes most just how poor he is. Give him a day or two to rehabilitate himself to his position. On pay day he thinks he is going to pay out all his salary. In the end he pays only the most pressing debts.

Stalling off creditors, that greatest trial of prosperous days, becomes the least part of one's tribulations when one is broke. Creditors have learned for the first time in history that you can't get anything but a hard luck story out of the man who is broke, while, on the other hand, he might ask you for further credit.

It is interesting to watch the sharp downward curve on the chart of correspondence of the broke. First, his friends write seldomer, and then his creditors. When a man ceases to receive bills he may know that he is really broke, if he hasn't already realized it.

The laundry man is also a good barometer of one's degree of brokedom. The longer one is broke the more one becomes convinced that laundries should be a state monopoly—and free. You can press your trousers under the mattress, but you can't iron a shirt the same way.

A man may also know he is broke when he is reduced to wearing his evening shoes in the daytime. Tim Sullivan, when reproached by a friend for appearing at a London luncheon in evening clothes, remarked that a man in full-dress was ready for anything. But the broke in evening shoes feels only the ignominy of the gigolo without any of the compensations. Then, too, evening shoes take water rapidly and emit it slowly on the floors of your friends' offices. Unfortunately, wet feet are not conducive to pneumonia with a broke: one's friends might take pity on one and come to the aid of the cause. One might also experience the joy that is the martyr's, or even make a graceful exit from the status quo.

Personally, I shall be a fugitive from a chain of drug stores if I ever find time from the pressing needs of the day to find a job. I shall be a fugitive from peanut butter, also. Should I ever have a hundred dollars in my own right, free and unentailed, it would be my bounden duty to erect a statue to the peanut. It has been my salvation. But if there is more nourishment in a thousand jars of peanut butter than any other food of the same value there is also more nausea.

The gravest error a broke can commit is to cut off his line of retreat. At any cost he should not run up

bills of twenty-five cents, fifty cents and a dollar at the basement tailor, the newsstand and the druggist at both ends of his street. They will spring out and leave little touches of crimson on your cheeks some day when you are passing with your wife and only twenty cents to celebrate the floating of a loan in the realms of ten-cent movie drama. Furthermore, it is a strain to start the day by walking too fast on a breakfast of peanut butter with eyes front. You might trip and drop four empty milk bottles, and four empties make one full.

I have President Roosevelt, and his banking holiday, to thank for finding myself in that unstrategic position.

Being broke is worse than most of the nine plagues, but all its pains are as nothing compared to its boredom. It is the ennui that breaks the spirit. Looking for five, four, three, two dollars, or one, eating whole crops of peanuts, hearing about the pawned jewels, looking for something else to pawn, trying to find a buyer for that prized antique, erasing your name (why did you write it in ink?) from choice volumes to sell for ten cents, remembering the stories you have told and the amounts you have borrowed, figuring out new prospects and trying to make a death-head grin look like a personality smile.

That's what breaks strong men.

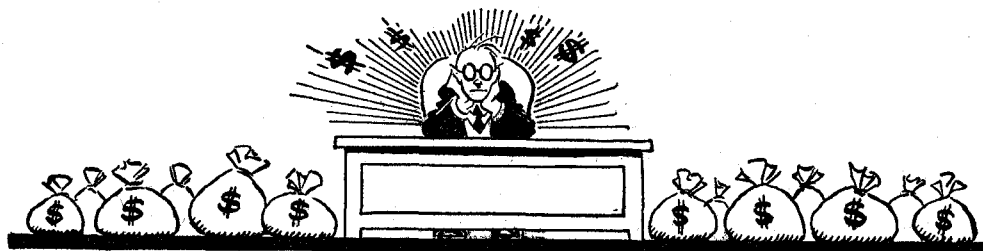
Having plenty of food and no appetite is bad. Having plenty of appetite and no food is worse.

As well as I have come to know rich people since being broke, the boredom of being broke has forced me to the conclusion that I would rather be in their shoes than mine.

I realize that it is perfectly awful not to know whether you will go yachting, or golfing, or squashing, or teaing, a beastly bore! But it is hell not to know where you will go looking for that five, four, three, two, or one, and whether it will be five, four, three, two, or one.

If my circumstances should suddenly be completely reversed, which would make me Rockefeller, Ford, Mellon, Morgan, Kuhn, Loeb, all the Rothschilds and the Aga Khan all in one, I should open a charge account for brokes in chain stores and drug stores (after strictly forbidding the stocking of peanut butter). Then, perhaps, they would have time to look for a job.

On the other hand, if I were the richest man in the world I probably should be thinking about my income tax and refusing to see my friends for fear they might ask me for a loan.



America's Over-Stuffed Nest Egg

Do we save too much? Was Poor Richard wrong? These are questions raised by Mr. Norton, economist and co-author, of "Investing in Wages," in considering what should be the correct relation between producer capital and consumer money.

By Henry Kittredge Norton

DURING THE DEPRESSION most of us have been undergoing a sort of compulsory course in economics. We have been faced with many puzzling problems, the greatest of which is why a country, with everything in the world to make it prosperous, should be wallowing in the fourth year of an unprecedented depression.

Prosperity is, of course, a relative matter. Generally speaking it exists when the great majority of people have as much, or more than, they have had at any previous time. That is, when they have as much to eat, wear, use and enjoy. Those items, and not the mere possession of property, or securities, are the ultimate measure of physical well-being. There are, for example, about the same number of stocks and bonds scattered about the country today as there were in 1928. Yet we were prosperous then; and now the consensus of opinion is that we are not. The difference is that in 1928 we were buying clothes, homes, cars, radios, and a million other things, and now we are not. Another difference is that stocks were paying dividends in 1928; now they—many of them, alas—are not.

In brief, when business was good and stocks were of high value, we were all spending money freely. But it is equally brief—and equally true—to say that when we were all spending money freely, business was good and stocks were of high value. Obviously the two are interdependent, but as in the case of the hen and the egg, there is some argument as to which one got here first. Does high consumption flow from good business, or does good business proceed from high consumption?

One reason for the confusion as to the right answer is that the question refers to our national economy, and we are prone to answer it from the point of view of our individual training and experience. We all know that the one unimpeachable basis for an individual fortune is

rigid adherence to the rule of spending less than one receives. Earn as much as you can, but when it comes to spending, don't forget the nest-egg, the savings of which capital is made. And the more you save, of course, the more rapidly your capital grows. That rule has been in force so long that it is folly to question it.

As individuals, however, we are concerned

primarily with our own income and our own outgo. Our simple rule of saving is based upon this preoccupation with ourselves. We feel hardly the same about it when another is involved. If I have a job and my employer decides to dispense with my services to add to his savings, my faith in the universal virtue of thrift may suffer a rude shock. If you run a bookshop and the public starts to save money by not buying books you may feel distinctly aggrieved. Saving is after all not a wholly individual matter.

It is but a step from this to a realization of the essential difference between the effect of saving on the part of an individual and saving in the national economy. Every one of us is a purchaser from, or the employer of others. Every dollar each one of us spends is a dollar of income to someone else. What we save, however, does not become somebody's income until it has first gone into the creation of some new producing capacity or service organization. During this interval it is not available for consumption. And the new investment must receive its share of the national purchasing power thereafter, or it is of no value. A dollar invested may thus have a very different effect upon the national economy from that of a dollar spent.

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Yet it is this investment in new capital each year that enlarges the nation's nest egg. This national nest egg is even now a very imposing one. It consists of all our farms, mines, forests, factories, railways, ships, trucks, roads, etc., etc. Everything in fact that produces, or distributes goods for consumption. So large is the nest egg that we are beginning to wonder whether it is not too large. We have been hearing much about "over-production." We are told of a tremendous shrinkage in values. Some overzealous pessimists contend that our total indebtedness exceeds our total wealth. Have we as a nation saved too little, or have we saved too much?

In view of the fact that hardly five per cent of us have *everything* desired, it sounds absurd to talk of over-production. If all of us could buy but half of the things we want, it would keep the factories working overtime. How can they say that we have saved too much?

We noted a moment ago that our national nest egg consists of everything that produces or distributes goods for consumption. "For consumption." Those are the all-important words. If there were no consumption, our great producing and distributing mechanism would be valueless. Our national wealth would be naught. If our consumption were double what it is today, as it was in 1929, our values would promptly return to 1929



levels. Consumption is the final regulator of all business activities, the final measure of all property values. Good business is the consequence of high consumption. If you have any lingering doubts as to this, ask yourself whether business created the huge consumption of the war or the huge consumption of the war created the soaring profits and the fabulous values of war-time industry.

Consumption is the key to the situation. But consumption is expenditure. How are we to reconcile a demand for large expenditure with the time-honored exhortation to save?

The individual quite evidently cannot increase his expenditures except at the expense of his savings—past, present, or future. But this is not the case with the national economy. Not only is one man's expense another man's income, but one man's debt is another man's credit. It is absurd to talk of our nation living beyond its means unless it borrows from abroad. Within our own borders, the thing cannot be done. Every article we consume must be produced before it can be consumed. Nor can our indebtedness, so long as it is owed to Americans, exceed our national wealth, for whatever the total of debt, it must be offset by credits of identical value. And we have the whole physical property of the country in addition! The value of this property, and of the debts as well, depends first and last upon consumption—upon the amount the country spends for food, clothing, shelter and other human enjoyments. These are known as *consumers' goods and services*, and upon the rate of their consumption depends the level of our economic life. Neither shoe-making machinery, nor the steel of which it is made, has any value unless someone is going to buy and pay for the shoes it will make. The machinery and the steel—and all the mechanism of manufacture, transportation and distribution—are *producers' goods*, and their value is derived solely from the conviction that buyers will pay for the consumers' goods which they can produce. We can save too much if we thereby create a producing capacity greater than the purchasing power available for consumption.

From the point of view of the individual shoe factory, the market for its product seems unlimited because the output of that factory is but a fraction of the total consumption. From the point of view of the entire shoe industry of the country, however, the market is strictly limited by the amount of the country's income which the people are willing to expend for shoes. How this may affect capital values may readily be seen. Suppose shoe sales averaged three pairs a year for each person, and as a result the shoe industry was kept running at capacity and at a good profit. Then suppose a sudden access of thrift on the part of the population with an attendant reduction of shoe purchases to two pairs a year. Whatever the result of the competition among the factories for this reduced business, the total value of the shoe industry of the country would have been reduced by at least one-third.

A similar effect may be seen in another way. Suppose our shoe industry consisted of ten factories which were kept humming to furnish three pairs a year to each of

our fellow-citizens. Let us further suppose that an investor, learning of the flourishing condition of the shoe industry, decided to enter the field and built another factory of the same size and efficiency as each of the other ten. On the same consumption of shoes, no capital value has been added. Unless something happens most opportunely to induce a sudden increase in the purchase of shoes, the eleven factories are of no greater value than were the ten before the eleventh was built. The new factory has added nothing that the country wants, and the investment in that factory was a social waste.

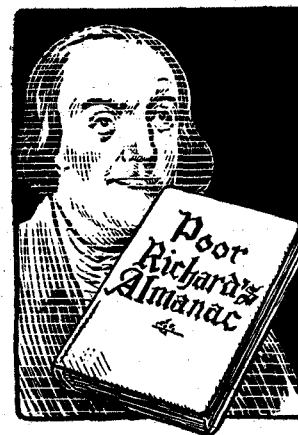
It was more: it was a positive injury to the national economy. For the amount of money which thus went into the purchase of unneeded producers' goods was temporarily diverted from the purchase of consumers' goods, even though it was later returned to consumption through payments for materials and labor. It lowered the total of the national consumption by that much and thus reduced the measure of all business values.

E. A. Filene has illustrated this process by a story of classic simplicity. He tells of a young couple who had saved for months and had at last laid aside \$300. "Now," said the wife, "we can buy that electric refrigerator." The husband was about to concur when a picture of Benjamin Franklin caught his eye. He hesitated, and wondered whether it would not be better to invest the money. The final decision was to buy \$300 worth of stock in the company which made the electric refrigerators. This action won commendation from parents and advisers. But, continues the story, what if a million young couples followed the same course? The stock of the company would go sky-rocketing, while the market for its product would dwindle away and finally land it in bankruptcy.

Surely it must be conceded that saving and investment on this scale is of no value. It benefits neither the young couple, nor the electric refrigerator industry, nor the national economy as a whole. The purchase of refrigerators instead of the stock would have benefited all three. Broaden this example to include all who have a choice of spending, or investing, any part of their incomes, and to cover all of the nation's industries. A decision for investment on the part of too many such people and our national economy would go into the doldrums as surely as would the electric refrigerator industry. Must we conclude, then, that saving is vicious and all spending to be commended? Are nest eggs wrong in principle?

To state the question is to show its absurdity. We need now, and shall need as long as the desires of men and women change and grow, an annual accretion of capital. Capital is somebody's savings. Who is going to do the saving and own the capital?

Except for the somewhat vague determination of



the Socialists, there appears to be no reason to believe that the right of every individual to save and invest as much as he pleases, and in what he pleases, will not be carefully safeguarded. There is no limit to the number of capitalists we can have. The only limitation is upon the proportion of current purchasing power they altogether can take out of consumption and divert to investment in any given time. That limitation is not of human origin. It has nothing to do with Karl Marx, nor is it the outpouring of the fevered brain of an economic-planner. It is inherent in the nature of a capitalism which has built an industrial producing system capable of supplying more goods than the world is able to pay for except as the system itself distributes adequate purchasing power for that purpose. Modern capitalism simply cannot accumulate values above the level of current consumption. As long as it tries to do so it is doomed to disappointment.

If it merely tried and failed, the community could regard the disappointment of its capitalists, arrived and aspiring, with a certain degree of philosophic calm. But every misguided attempt to build producing capacity beyond the rate of consumption entails disastrous effects upon consumption itself.

Can anything be done about it? Can capitalism help it if people stop buying? Can capitalism fix the level of consumption? Can it do so to its own profit?

The answer is "yes" to all of these questions if the answer comes from capitalism as an institution, and not from individual capitalists. For again we are faced with the difference between the effect upon individual economy and the effect upon the national economy. Try to persuade the individual owner of capital, from any modern Croesus down to the holder of a \$10 savings bank deposit, that he should spend more and save less. Yet it is readily demonstrable that saving can go so far as to destroy much greater values than it creates.

Suppose, for example, that our national annual income were (as it was back in the late 20's) 80 billions of dollars. We want to increase our national producing plant each year by enough to take care of the increase in population and we want to add equipment for any new process, new product, or new industry that will satisfy a desire on the part of the consuming public. Let us assume that it will take 20 billion dollars to cover these two items. That would mean that every fourth transfer of every dollar in circulation would go into producers' goods, leaving the remainder—60 billions of the national income—to go into consumption.

It is this consumption, it will be remembered, which fixes the total of all property values in the country. Let us assume that at the beginning of the year in question, this total value on this rate of consumption was 400 billion dollars. At the end of the year we should have added 20 billion of new capital to this and as it is, by assumption, needed capital, it will increase production, and therefore income, by a proportionate amount—say 4 billion dollars—during the ensuing year. On this basis our national property is now worth 420 billion dollars.

Suppose, however, that in addition to the 20 billion

properly invested during the year we should, in an excess of enthusiasm, invest 15 billion more. This would mean that one transfer out of every four which go to make up the 60 billion of consumption money would go into producers' goods. Our aim, of course, is to get that much new capital, and if we were successful, the national total should rise to 435 billion. But in making this investment, which by assumption is unneeded, we have reduced consumption by 15 billion dollars, or 25 per cent. Instead of adding to the national total of 420 billion dollars, we have reduced that value by 25 per cent. It is now 315 billion. In our attempt to increase savings at the expense of consumption, we have not added 15 billion dollars to capital values. We have lost the 15 billion and destroyed 105 billion dollars of existing values.

How capitalism can insure continued buying and a high level of consumption now becomes evident. It can not only do it profitably, but it can refuse to do so only by taking a terrific loss.

The method that seems to spring most readily to mind is to prevent the investment of the unneeded 15 billion dollars. Keep that in consumption and the problem is solved. It would be, except for one thing. No human mind, no collection of human minds, and no tabulation of human statistics can be depended upon to distinguish *in advance* between the investments that belong in the 20 billion and those that fall in the 15 billion. Any attempt to do so by giving any board or commission authority to decide is bound to fail, and would open the door to vast new areas of favoritism and corruption.

A second method is not open to these objections. When we have real evidence of over-investment, we can avoid trouble by restoring the necessary amount to consumption. We have this real evidence the moment producers begin to cut schedules. That means that consumption is not keeping up with production. It means that unless consumption is promptly restored we are in for a downward spiral that leads into depression. In that case, values will fall many times as fast as consumption. Conversely, money taken out of accumulated capital and put into circulation among consumers will add values in multiples of itself.

Take the extreme case we have used as an example. The over-investment of 15 billion dollars has destroyed 105 billions of property values, reducing the total to 315 billions. If one individual owned all of this property, it would be to his advantage, under these circumstances, to take 15 billions of what remained and put it back into consumption. This would raise the total consumption from 45 up to 60 billions again. And the value of his property would return to the level it previously had on this higher level of consumption—namely, 420 billions of dollars.

Here then is the problem of capitalism. It needs to find a way to protect its property values just as one individual would if he owned it all. It needs a method by which all owners may contribute ratably to the restoration of a sagging consumption level. It needs a prescription for reducing the over-stuffed national nest-egg to its effective proportions. Only so can values be maintained. Only so can the fearful toll of depression be avoided. Only so can capitalism justify itself against the assaults of its critics.

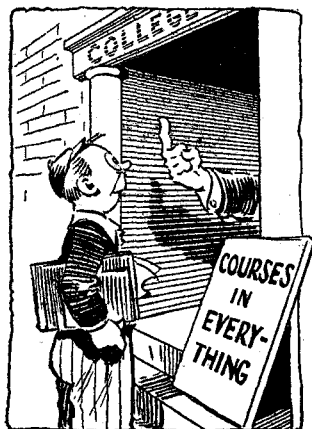
The Crisis in the Ph.D.

By Cedric Fowler

Deflation has not yet started in the higher reaches of learning. C. W. Fowler, a Columbia candidate for Doctor of Philosophy, discusses the current market for brains.

THE POST-WAR DECADE saw the biggest expansion in higher education that America has ever experienced. From 670 colleges and universities in 1920, the number increased by 1930 to 1,078. The B.A. degree acquired a social and commercial value that it had never known before. Business houses decided that four years of higher education were no longer a handicap to the young men they engaged. The post-war years brought a quickening of popular interest in world problems. History, economics, and even the arts, became subjects that could be discussed in a drawing room, on a front porch, or in a speakeasy. To understand the newspapers required a certain background of organized knowledge, no matter how imperfectly remembered. Romance was a further stimulus to the thirst for education. Novels and magazine stories bringing out the glamour and wickedness of college life were read everywhere. America responded with a rush to the colleges that had not even been imagined before.

The decade was a brilliant one for higher education. The number of college students went up from 460,000 to 860,000. Property in endowments and gifts increased threefold, income in the same proportion. Philanthropic millionaires endowed complete universities with one stroke of the pen. One venerable college (as college ages go in our country) changed its name and threw overboard its whole body of traditions in response to a \$50,000,000 gift. State universities and colleges found themselves receiving more attention, and what was most important, more money, from their legislatures than they had ever received before. An expansion of building that many institutions cannot hope to catch up with was carried out amidst the applause of educators and the public.



The boom was not confined to the four-year course leading to the B.A. University extension grew as briskly and apparently as lustily as stock market prices. Courses of every kind were given, from bee-keeping to the appreciation of Spenser. Universities advertised their offerings in dignified full page spreads asking the reader if he was satisfied with his mind, and

warning him against intellectual stagnation. Culture was added to the numerous keys to success. The public crowded forward, fees clutched in hand, to draw on the new source of power and vision. Higher education thrived as it had never done before—and has not done since.

The rush for college education promised a great widening in the teaching field, and a mass of young men and women began to move into the profession. From 1920 to 1928 the number of faculty members increased from 40,000-odd to 67,000. The growth, however, held an ominous note even before the present depression, for while the student increase amounted to 88 per cent, the faculty increase stopped at 45—just a little more than half as great. But in the meantime the field looked rich. In 1930 salaries paid in American colleges totaled 190 million dollars. Thousands responded to the new opportunities. In ten years from the war the number of students taking graduate training had grown 200 per cent; and the greatest increase was in the number of Ph.D. degrees annually awarded. In 1920 the figure stopped at a modest 532. Ten years later it had grown to 2,024, an increase of 280 per cent. The expansion here reached a figure three times greater than the student body which the Ph.D's were trained to teach.

Why the inflation in the Ph.D? In their new power and glory the colleges were demanding it. Where previously they had been contented with an M.A., or a simple B.A., if the candidate came from one of the older eastern universities, they were now asking for Ph.D.'s. The qualifications for imparting Composition I, with themes and a reading list of fifteen books, had gone up. The extension departments felt the need for higher standards too, and instructors taking a class through First Steps in French were often learned doctors with a valuable and original piece of research in hand. The public, craving for enlightenment, demanded the best from its servants, and Doctor of Philosophy was the answer.

The Ph.D. degree is an expensive and comparatively arduous distinction to attain, but there was no hesitation among the people who looked to college teaching as a career. It requires the spending of five to six thousand dollars, and three to four years of specialized training, during which the candidate learns as much as is humanly possible about his specialty and a generous helping of all related fields. An examination designed along the lines of a duel to the death between the candidate and his professors sums up the learning process. The candidate then writes a book in some more or less minute corner of his field. Distinguished academic leaders are paid good salaries to guide him in his task. The subject must be his own, and the treatment original.



The research involved is long and often tedious. His dissertation written, the candidate in many universities is required to publish, at his own expense, an item that accounts for seven or eight hundred dollars at a blow. Finally, a last examination on his book passed, a last fee paid for his diploma, the candidate becomes a Ph.D., and taking off his gold tasseled

mortarboard, sits down to wait for a job.

And in the palmy days of the Ph.D., the job usually turned up of its own accord. Deans of midwestern colleges came east to hunt for young men from the older universities. If the college was small, or in the least in doubt about its own importance, the president himself came. Over a wholesome and filling lunch at the Faculty Club he would ask the departmental head what promising young men he had free for the coming semester. Could he recommend someone to teach first year philosophy to the freshmen on the great plains, or in the deep south? Somebody who would be sure to fit easily into the atmosphere of the college, do the work and be content with a small salary at the start. Experience wasn't necessary, as long as the young doctor had passed a moderately good examination and had some sufficiently weighty piece of research to his credit. Midwestern, or southern, colleges were not insisting on natural born pedagogues or great academic leaders for their junior faculty positions. They were looking for young people who could fill the demand for teachers. Students were flocking to the colleges, teachers had to be found for them, and for a while the process was simple and rewarding for all concerned.

The young Ph.D. did not actually hunt for his job, or if he did it was done so discreetly and quietly that the element of quest was hardly discernible. Like the old-fashioned minister, he waited for a call. The visiting dean, having discovered what people were ready to fill vacancies on his faculty, let it be known that there were some openings. The candidate, by a mysterious process that is not clearly understood at this late date, *heard*, or *was given to understand*, that he might apply. A series of letters was exchanged, always dignified in tone and not mentioning the unacademic word "job." The candidate assembled references covering both ability and character from former professors, teachers and, if asked, pastors. Moral qualities ranked well up on the list, and anyone bothered with doubts about the nature of the world, or society, kept them to himself. Rebellion could wait for a while to be allowed to come out when he was an established man, if it had to come out at all.

Finally an interview completed the process. On signing his contract, the budding professor was treated to an inspiring talk about the history, traditions and high ethical standards of the college he was about to join. If the college was small and not very prominent in the way of athletics, he might be asked to help a little with

the coaching in his spare time. If it was a denominational college he was often expected to assist in prayer- and hymn-meetings. But things like that were not important. He could preserve an ironical attitude and write back amusing letters to his friends. He could even write a novel about his experiences. Lots of people were doing it, and finding a publisher in those days wasn't hard. Some of the learned doctors remained in the east, finding places in the extension department of their universities. Others, who were more brilliant, or more fortunate, got college jobs at home. Fellowships and endowed research, another part of the philanthropic wave that washed up good things for education, took care of those who didn't want jobs and could persuade the authorities that they were capable of further study.

As a college teacher, the young man or woman could look forward to a long and honorable career. Beginning as a research assistant, an instructor, or if the college was small and the pay low, as an assistant professor, he could hope to rise to become dean or departmental head, either by luck, well placed deaths among the higher ranks, or even merit. Hours were not burdensome. Long summer holidays with Christmas and spring vacations in between relieved any strain he might feel. He could go back to the city and renew old friendships, re-establish his drinking capacity and meet some girls. Sabbatical leave at more or less regular intervals gave him a year's vacation that he could spend as he saw fit. He could go to Europe, brush up on his history, economics or languages or, if he was wise, simply loaf. Most institutions provided retirement systems to take care of his old age. The atmosphere was congenial to the scholarly taste. Often his friends who had left college with a B.A. and gone into the advertising "game" envied him.

His career could be furthered if he had the energy to produce a scholarly monograph from time to time. A paper or two in the learned *Quarterlies* was a great help in building up a reputation and securing promotion. If he wrote a readable biography of some well known historical figure he could be reasonably sure of having it published, for the boom decade saw an inspiring increase in the profits of literacy. In the meantime he had to keep up with his lectures, correct his themes in time, and live a campus life free from scandal, and all was well. Thousands judged it worth the sacrifices, and the teaching profession was well supplied.

It appeared to be a good profession to enter. Law and medicine had long been complaining of over-supply. Young men had been advised for years to avoid them. Politics absorbed only a few, and those mainly from the legal ranks. America has never had an established church or a large standing army to supply places for younger sons. The tradition of a career in the civil service has never been set up in this country. College teaching offered opportunities that seemed likely to absorb an ever increasing number of young people for whom business and the other professions were uncongenial. Even in the salad days of industrial expansion, bond or insurance selling were not regarded as very attractive by men with intellectual tastes.

And college teaching appealed to many as a stepping

stone to literature. The older notion that newspaper work offered the best introduction had long been exploded. Writing publicity was known to destroy the soul. And everybody knew that the single-handed attack on literature was fatal. Great cities were filled with the bones of men who had tried it. But the academic world offered a steady salary, a good slice of free time out of the year and constant contact with books and things intellectual that was felt to be a source of inspiration. What better place for writing than the calm of a college library? And if the peaceful life got on your nerves, it wasn't long before you could get back to town again. The picture was indeed ideal.

This is one side of the medal. The side presented since the Depression is considerably less attractive. The boom in higher education began to collapse with the collapse of the boom in stocks and bonds. Some colleges, including one or two of the oldest and presumably most discreet, had plunged in the market themselves and began to feel the pinch very soon after October, 1929. Income from endowments that depended as much on the value of securities as the fortunes of their donors were drastically cut. Many building programs had to be dropped, or severely curtailed. Fellowships and foundations discovered that research was no more free from economic breakdown than dividends. Scores of worthy projects designed along the best lines of human improvement had to be abandoned. Millionaires were disappearing everywhere, and their philanthropy passed with them.

State institutions and university extension services have felt the crisis most severely. Legislators, who voted appropriations out of pride in their colleges and on the tacit understanding that the sons of their constituents would not be too ruthlessly flunked, have brought them to a halt. The first object a legislator's eye lights on in the search for economy is some branch of the social services, and the colleges have been among the first to feel the axe. In the urge for a return to the simplicities of the founding fathers, that sometimes characterizes depression legislation, higher education is bound to suffer early.

University extension has fallen off to pre-war levels. One university that used to lead in the race for the world's highest enrollment reports a shrinkage of more than sixty per cent. Earnest jobholders who used to spend their evenings laboring for mental improvement have been forced to give up the effort. Jobs have disappeared and savings earmarked for culture have gone for living, or down the bottomless pit of insolvent banks. Most universities regarded their extension departments as self-supporting, often in fact made profits from them (the same plant and equipment could earn double income), and when the enrollment fell off curtailed them immediately. Culture for the masses is an inspiring slogan, but cannot be expected to survive an economic storm. Home study, a correspondence system that stretched a helping hand to those inquiring spirits who could not come to the university, has collapsed with extension. People can no longer afford to cultivate their minds with professional assistance. They have turned in part to the public libraries, which are both free and warm, and in part have given up the struggle.

The undergraduate enrollment has felt the shrinkage in turn, although somewhat later than the extension departments. In the first two years of the Depression it kept up fairly well, fathers finding that four years of college offered a safe, and not wholly unprofitable, refuge for children who could not hope to find employment. But lately official reports have shown that the number has shrunk with the increase in economic distress. The old, magnificent days of huge registrations when thousands had the money to enter college have gone. Freshmen pass through the campus gates in considerably lessened hordes—even when the gates belong to the state and are free, for it still costs to live.

This collapse in higher education has resulted in great deflation in the teaching field. Finding a job no longer presents any of the earlier simplicity and comparative ease. The visiting deans are staying home, and wondering desperately how they can stave off further cuts in their appropriations. Pay cuts have taken place in all but the wealthiest universities. Many institutions, notably those in the south, have given up the attempt to keep up with their payrolls and have taken to scrip, which public spirited merchants are willing to accept at anywhere from ten to fifty per cent discount. Some colleges in the more poverty stricken districts have given up paying salaries altogether. Classes have been doubled and trebled to allow for a small staff. Extra work has been sought by hundreds of faculties in the effort to eke out vanishing incomes.

And hundreds have been laid off. Vacancies that would normally be filled each term are allowed to remain open. The head of a department in a large university told the writer that in the event of his death, or resignation, his place would not be filled. Only professors with years of work in one college will venture to take a sabbatical leave, for fear their places will not exist when they return. Much of the charm and ease has departed from the academic life. Few things wither more rapidly than the amenities of an intellectual career when security and economic reward have gone before. The consolations of the mind are a poor substitute for material well-being, and an intellectual in doubt about his next meal is in no better shape than a homeless worker.

Unfortunately the graduate student enrollment has not shrunk in any way comparable to the shrinkage in college jobs. Teachers who have lost their positions and find themselves with a little money turn to further training in the interval of waiting for another appointment. People who have not completed the work on their Ph.D. decide that now is the best time to finish, in the optimistic faith that more training will help them when the colleges get on their feet again. Perhaps by the time they finish that thesis on the Role of the Chambermaid in English Fiction a college appointment will be waiting for them. Sympathetic professors who talk to their students about the job situation advise this as the best course. And all over the country the graduate schools are almost as well filled as ever. It is more than likely that a further two thousand Ph.D.'s will be released on the nation this year.

What will become of most of them nobody knows, for there are almost no college positions available. The

few opportunities that occur are pursued with devastating competition. One vacancy in a Pacific coast college was sought by four hundred applicants. All of them were supported with the best references, and all were willing to do any amount of work at any rate of pay. Department heads in some of the larger universities have thrown academic reserve to the winds and are writing to the smaller places to ask if they can take one or two men this year. The answer is, No. Fellowships that once supported many students are scarcer than customers' men in Wall Street.

What will happen to the Ph.D? College teaching is for the great majority the end and aim of their training. Private schools, which used to be a sure resource, have suffered heavy losses and are not hiring new men. Elementary and secondary public school jobs are rare and difficult for the Ph.D. to secure. Most state and city systems require a lengthy routine of normal school training before they will consider an application, and then the candidate finds his place at the bottom of a list that is filled for several years in advance. Many cities and states confuse the issue still further with politics, feeling that a Democrat can be better trusted in the kindergarten than a Republican, or the reverse. Private tutoring has collapsed. The days when a student could accept a position in an office or a store are gone. The Ph.D. cannot follow the young lawyer or doctor in setting up practice for himself. The nature of teaching requires a regular, paying audience and the use of buildings and libraries. The Ph.D. cannot retire to a life of contemplation. In a modern society learning languishes in solitude. It must pass, or die.

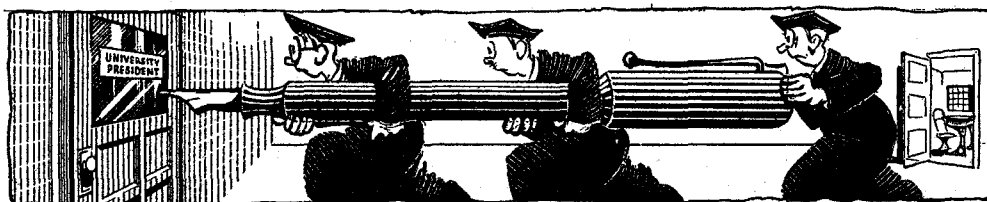
Law and medicine have turned to higher standards of admission in their students as an attack on the problem of over-supply. But at present almost anyone can enter for the Ph.D. Candidates are allowed to begin their studies with no more rigid qualification than the possession of a bachelor's degree. A portion of them is weeded out by the final examination, but many have been known to repeat the attempt until they win by sheer doggedness. Much could be done to the benefit of college teaching if the marginal candidate were rejected at the start, and a percentage of kindly refusals in the beginning would save considerable heartbreak later. The better grade that remained would have less competition

to face in the matter of beginning their careers. The loss of the marginal candidate would work no damage to the educational system of the country. Over-supply will only grow greater, even after the return of prosperity to higher education, if the present flood continues to pour out of the graduate schools.

Under our present catch-as-catch-can system it is too much to expect that the Ph.D. should have anything like a guarantee of use for his talents. It does seem, however, a striking example of conspicuous waste that his future should be so much in doubt. The nation has a tremendous amount of money invested in colleges and universities—some three-and-a-quarter billion dollars. A good percentage of it is devoted to training teachers. During the present crisis in college teaching opportunities, that money is in large part wasted. The time involved in securing the degree is another factor of weight. Three or more years out of the student's life become a tragic mistake when there is no chance to put the training and knowledge acquired to use.

Planned production is the national hope of the moment. Perhaps this newly acquired faith shows the beginning of a new era. The surplus of college teachers is no less real than the surplus of wheat. The Ph.D. degree, although it has cultural values that ideally are not affected by the question of economic return, might well be submitted to some test of future use. Disinterested learning is of the greatest value to the nation, but a measure of economic security must be granted to those who are willing to pursue it. There would be no need to subsidize students not to become Ph.D.'s, but some exercise of control would help both the candidate and the profession he hopes to labor in.

Pending that time the forgotten Ph.D. is a problem as serious in his way as any other element of the unemployment question. Prosperity, if it does return in the old measure, will take long to reach him. Many are facing as stringent conditions as the jobless laborer meets. Charity is neither an easy, nor an acceptable, solution for their plight. Intellectuals do not organize readily into demonstrations for work. Imagination balks at jobless doctors of philosophy picketing the offices of university presidents. The Ph.D. cannot work out his own solution—it is a problem that must be met by the educational system of the entire nation.



Exodus, 1933

More than 1,000,000 people have gone back to the farm; but it is estimated that another 4,000,000 have gone back to the land. The meaning of these two movements is explained by Donald Wilhelm, magazine writer.

AN AMERICAN CITY is a wheel. It may be thought of as a wheel which year by year, except the last three years, has moved progressively faster and faster until, by gyroscopic action, it has lifted itself up from the ground by the very force of its own movement, and perhaps without any other justification for being in the sky.

But of late it has faltered in its climb upward, has slowed, has settled, primarily because industry, the force which has all along provided it with power and propulsion, is no longer so well able to make its complicated mechanism perform.

And now it's being "grounded."

And now, too, we behold emerging and escaping from it, quite like people who have been too easily lured to stow themselves tightly within this weird construction of civilization, amazing numbers who are hastening away from it, with hardly a look over their shoulders. Today these frightened ones are fleeing to areas of larger safety all about.

Uncounted millions have quit our cities since the crash of 1929. And uncounted millions more want, and for many an impelling and constructive and desirable reason need, to go.

Exodus, 1933, occurs at a time not a little embarrassing to the Administration at Washington. It has reached a climax at just the wrong time, politically! For what, at first look, could be more paradoxical than farm legislation directed toward the allotment and restriction of farm production, on one hand, and encouragement to vast new numbers of farmers eager to increase production, on the other? But that by no means is the whole story.

In 1932, as the recent and reluctant figures of the Department of Agriculture reveal, our farm population was *increased* by a million people, with the result that where it reached its previous peak in 1910 and, in comparison with our urban population, its all-time low in 1930, today, thanks to the greatest population-movement in our history during the last three years, it is now at its all-time high! Moreover, the Department's estimates, while granting a net gain of more than 2,000,000 people on American farms since 1930, do



By Donald Wilhelm

not include the first months of the present year. And, much more to the point, do not comprehend the vast, and doubtless the major, movement, not to farms of twenty acres or more, but to small plots of land for the most part within automobile reach of our cities and industries—plots as a rule just large enough to provide some kind of a human habitation, shelter for the faithful family car, for chickens, and possibly for a goat or a cow and space for a kitchen garden.

This is primarily a *flight from the cities*. This phase of Exodus, 1930-33 is to my notion much more formidable, and likely to be more enduring, more progressive, and of larger national meaning, than the movement to farms. An exodus to farms has occurred during every great depression; during the 1907 depression, for example, our cities were rapidly depleted and, when it was over, almost as rapidly refilled. But the present exodus to small plots and intermediate areas near, yet outside of, incorporated towns and cities and industrial sites is new in scope, has been prepared for and made possible by the automobile, the greatest of all prime movers in the sociological sense, and by good roads. There has been no official enumeration of land-hungry urbanites who have moved out from our cities, either to farms, or to intermediate areas, since the census of 1930, which first marked the phenomenon of subsistence farming. Mere estimates have been made officially, and these only of the back-to-the-farm movement, so far as I am aware. In the light of the best information available, however, there is good ground for judging that the *whole* folk movement outward from our cities has, since 1930, comprehended fully 5,000,000, and that, too, in a time when the trek from farm to city has slowed and when there has been an annual increase of nearly a half million rural births.

It is fortunate that all migrants from the city have *not* resorted to farming in the large, or the professional sense. But the real significant factor of this national movement is not to farming as a commercial enterprise, but to a new method of living, or rather of existence.

The millions composing *Exodus, 1933*, who have bolted either for farms, which in many cases even experienced farmers could not make pay in good times, or for small and modest domiciles lining traffic arteries, or for log cabins, tar-paper shacks, mountain huts and swamp-edge hovels, have left the city for one or all of three main reasons:

First—They cannot find work in our cities, particularly our large industrial cities. Without work they are without money. And in cities money is the only item which is exchangeable for necessities, like food, and for other commodities and services.

Second—They want work—not relief. Anyway, relief averages only \$32 a month to each family receiving help in New York City in the case of one great relief organization.

Third—There are, it is estimated, fully 10,000,000 unemployed men and women in our cities. And such changes have been wrought in them and in industry itself during the Depression that there are good reasons, in the main industrial, why it is to be doubted that more than half of these will ever find regular and sufficient city employment again.

This last statement, that 5,000,000, or nearly one-half of our present, unemployed city population, are not likely ever to find regular and sufficient city employment again, will no doubt be challenged. It is supported, nevertheless, by first-hand study of many industries and businesses and by the conclusions of many authorities.

City social workers are seemingly of one view, and that is that numberless men and women have by the ravages of the Depression itself, been unfitted for regular city employment in the future. These include, it is pointed out, wage and salary folk who have come to be, or who seem to be, too old to find jobs. They include many young people who have been graduated from public schools and colleges, have been unable to find work and have quit trying. And between or including these extremes, they include many others who have been physically or mentally demoralized by prolonged anxiety, worry, privation, illness and other afflictions, all of which have in many cases so insistently reduced vitality, that inevitably our public health records will reflect.

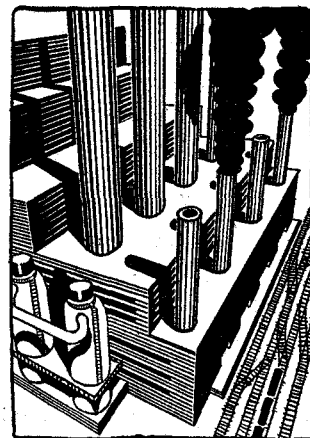
"For thousands of such people," the head of one great New York City relief organization states, "there is no constructive and permanent way out, except to the land, where Nature can do her part, where families can contrive some kind of shelter, can raise at least some food and get themselves squared around to face the future."

There are other definite reasons why perhaps 5,000,000 city adults are not likely ever to find regular and sufficient city employment again; why some authorities, after remarking that there were a million and one-half or more unemployables in our cities even in 1929, put the figure at 7,000,000 or even 8,000,000; why the American city is undergoing a permanent change, and why, whether they like it or not, the great bulk of migrants now overflowing to land nearby will "stick." But the impelling and conclusive reason lies with American industry, itself.

Our ambitious business men begot long since what may be called the American Formula, compounded of mass financing, mass production, mass merchandizing and mass distribution. It remains, in principle and in its manufacturing economics, for the most part unassailable, because it is simply organized common sense, like Science. It has survived other depressions in the case of our older industries such as steel, and there can be no question but it will, perhaps better than ever because of drastic adjustments now required, survive this.

But, on the social side, its case is by no means so clear.

A great mass-producing, mass-merchandising industry such as the Ford Motor Company may be compared to a great ocean liner. Virtually all the trades and all of the world's commodities and items go into the making of a great ocean liner. And when it is at last afloat, it must operate with full or nearly full cargo, at full or nearly full speed, or cease operations altogether. It is by no means so "able," as seamen say, as one which is smaller and better qualified to manoeuvre in close quarters. It may pay extraordinarily high wages in good times, and attract the best workmen to one or more of a few great industrial centers such as Detroit. It may provide for them, at times, an exceptionally high standard of living. Nevertheless, such a huge centralized industry is, as Mr. Ford has publicly admitted, peculiarly vulnerable when storms come.



It is, in fact, just here where, on social grounds, the main indictment of the American Formula strikes home, since the escutcheon of our manufacturing fraternity, even if now dulled by the abuses of carelessness and stupidity, is far cleaner than many. It is just here that the Swope Plan, plans for unemployment insurance, pension plans, plans for dismissal remuneration and scores of other plans designed to safeguard industrial workers against crises, have their part to play, are answers to the inevitability of periodic hard times.

And it is just here, for identical reasons, that *Exodus*, 1933, is the fortunate yet fortuitous answer to an obvious national need.

It is unfortunate that we who never do things by half and take to waves of enthusiasm as eagerly as a duck to water, should so extensively have centralized our industries, notably our Mid-West industries. An irreducible minimum of centralization of mass-producing industry (as well as of government) would have been a good and sensible rule—a rule that in New England, with the exception of a few great industrial centers, has been a heritage from the days when manufacturers put their plants where water power was available, and many, if not most, workmen supplemented their wages and provided unemployment insurance of a kind by establishing themselves on just such plots of land as numberless land-hungry urbanites now seek. Today there are many small manufacturing centers in New England in which, regardless of a maximum of industrial unemployment, there is little if any such distress as great mass-producing centers like Detroit and Chicago are heir to. Today New England, the first section to emerge from the 1921 depression, expects to be the first to emerge from this depression. And some other than New England manufacturing concerns, familiar with depressions and fearful of such mass unemployment as now devastates the bedtime hours of many a centralized mass producer, have encouraged part-time farming as a kind of *unemployment insurance*. In 1932, for example, the United States Steel Corporation was able to boast that, thanks

to long-view planning, its employed and furloughed workers had more than 70,000 gardens. Today thousands of companies are doing their part, albeit tardily, likewise to encourage their employees to lend a hand in providing for their own support during hard times. And, perforce, fully half of our states and numberless communities are doing this same thing.

And our industries and businesses, for the most part hard put to survive, have been making other discoveries with direct bearing on *Exodus, 1933*.

They are discovering—at ebb tide they are “being shown” by the Depression—that there is such a thing as universal electrical power and that, therefore, there is no imperative reason why they should pay high rentals in congested centers where their workmen *cannot* provide themselves and their families with “land insurance” and ideal working and living conditions close to the soil. In other words, they are discovering, or re-discovering, at least many of them are, precisely what millions of city workers are discovering or, re-discovering: that the automobile, the truck, the bus, good roads, quick communication, improved suburban and country schools, long since presupposed a decentralization of industry, and now impels it.

Also they are discovering that they can get along with amazingly fewer workers. The industrial manager of one large manufacturing concern informs me that in some of its plants it is surpassing 1929 production with 35 per cent fewer workmen, receiving approximately one-fourth less pay per hour. Another boasts a labor saving, as executives necessarily deem such economies, of a third, while another insists that 1929 production in a single city plant under his employment supervision can be surpassed with 8,000 fewer workmen—better, much more carefully selected and trained workmen!

All manner of improvements in all branches of management account for such reductions in man-power, including the discovery that large numbers of so-called service folk, such as reception people and other intermediaries, can be dispensed with, and that many men and women readily acceptable in times past are now, and henceforth will be, classed as unemployables. For these, among other reasons, many industries, notably our large industries with their peculiar susceptibility to public and stockholder opinion, have applied the policy that it is better to reduce the number of their employees than to reduce drastically the hour, or piece rates that they pay, while many other industries have done both, notably small industries hard put to survive at all. In both directions employees suffer. Moreover, the industries of the first group are in general inclining, while maintaining hour or piece rates, toward fewer working hours—toward a 4-day week with an 8-hour day rather than toward the awkward 30-hour week with a 6-hour day—and in many instances have noted that just so soon as they go to a 4-day week, or even a 5-day week, many of their workmen at once turn to the land and begin the quest of small plots within a radius of as many as forty miles where they can, like the millions of other harbingers of a new America composing *Exodus, 1933*, “dig in.”

The movement outward from cities, for every reason and from nearly every angle, thus goes on apace, prophetically, yet in the case of numberless families, full of the bitterness of adjustment to a new way of life.

In a release issued within a week before the Department of Agriculture issued its estimate that our farm population was in 1932 increased by a million city Americans, one of its observers indicated that a hiatus had come in the trek to the land. But contrary to this viewpoint, reports from land agents, insurance companies, Federal land banks, New York State and other authorities and industries, indicate that *Exodus, 1933*, is continuing, at least as fast as city folk can find acreage and ways and means to lease or to acquire it, and to settle on it.

This migration includes many—quite too many—city men and families totally lacking in either resourcefulness or farm experience, who couldn't milk a cow, couldn't possibly understand a mule, or care for a horse, who think farming is easy, no matter that during the five years ending with March, 1932, 13 per cent of the farms of the United States changed hands through forced, and 11 per cent through voluntary sales. Oftentimes they *know* they can raise chickens—the last refuge of many noble minds in cities! Hence many such folk—all too many, numerous rural publications report—have set out, to come to grief. But, on the other hand, among our land-hungry urbanites are many sturdy citizens who quit the rural scene because they couldn't acquire land. In other words, they responded to the lure of city wages, have now had good and sufficient experience of hard times in our cities and are in a mood to stick to the land.

Likewise *Exodus, 1933*, includes—and here lies a much more important phase than that of the city and native farmers, investors, speculators and others who are energizing a boom in farm land—large numbers of both single and married men who are, as we have seen, taking up an intermediate course, in intermediate areas, and setting themselves up as going concerns neither wholly urban nor agricultural. For shelter they look to anything from the tar-paper shack to a roadside building; for food they look to a garden, perhaps chickens and a cow; for cash in hand, to the operation of a gasoline station, a roadside stand, the sale of the products of home industries and whatever work they can get, in industry or wherever they can find it. Incidentally, not a few companies now encourage their employees to organize stores at the plants where they work one, or two, or three or four, days a week. In Detroit, in one such company store, operated by employees *sans middleman*, I found them buying and selling from one another all manner of just such home products as the home industries of New England provided a century and more ago—nearly everything from vegetables to fresh meat, from eggs to honey, from poultry to preserves, from hooked rugs to home-made furniture!

The back-to-the-farm movement is one thing—a story, heretofore an oft-repeated story—in itself. But the back-to-the-land movement, or forward-to-the-land movement—the exodus to small plots of land sufficient to provide subsistence farming—is something else again.

Economic War Reports

Compiled by Edward H. Collins

British Front

SELDOM IN RECORDED HISTORY has the phrase "economic war" been more justified in describing the dealings of nation with nation than in the last year and a half. Far from being the old-fashioned "umpire" in the relations between the various industries and classes, the governments of the world have recently become unashamed to admit that their chief reason for being is economic. Great Britain, the leading exemplar of the old order and so far the leader of the new, has done several things in the month under review which have contributed important chapters to the international economic strife. First on the list is the increase in the exchange equalization fund from £150,000,000 to £350,000,000 for which Neville Chamberlain, Chancellor of the Exchequer, sought, and, of course, obtained, permission to effect. This rise in the sterling control fund was arranged in order that Britain might not lose that advantage in the world market which depreciated sterling had secured for her. Britain arranged also a trade agreement with Argentina. Britain is the chief market for Argentine exports. Trade agreements are nothing new between nations, and nothing may be considered more natural than an exchange of economic favoritism between nations as economically important to each other as Britain and Argentina. What makes the agreement exceptional, however, is the neat way in which Britain has gained an advantage at the expense of the United States, which sells more to Argentina than any other country does. For Britain has obtained practically a "corner" in Argentina's foreign exchange. Britain also has negotiated trade pacts with Germany and Denmark. As this issue of NEW OUTLOOK goes to press, Norman Davis, special American Ambassador in Europe, is striving to effect a truce in the World Economic War.

American Front

FOR THE UNITED STATES the month's economic developments have fallen under two headings, internal and external, and in some respects the developments are irreconcilable, if the purpose underlying them is a coherent and far-reaching national policy. There have been, first, the unexampled circumstances surrounding the departure of the United States from the gold standard and the passage of laws giving Mr. Roosevelt the power to "inflate" and, second, there have been conferences with various distinguished foreign government representatives looking toward agreements restoring greater freedom to international trade.

The statement that these developments are irreconcilable is based on the belief that the abandonment of gold and the placing in the President's hands of authority to inflate currency and bank credit is a move tending to isolate the United States more completely in an economic sense. The transforming of the dollar into a paper currency made imports of goods into the United States more difficult, while at the same time provoking foreign countries to adopt trade restrictive measures designed to rob this country of the world trade advantage which the cheapened dollar theoretically gave to it. To go off gold, in other words, was distinctly an event belonging in the economically nationalistic category.

Yet while the Roosevelt Administration moved, on the one hand, to reduce to still lower levels the already abjectly low amount of world trade by depreciating the dollar, it acted, on the other, to increase the exchange of goods by entertaining at Washington the distinguished representatives of several nations and discussing with them the agenda for the world conference. Mr. Roosevelt has in Secretary Hull an ardent advocate of a break-away from the high tariff tradition which was fastened on the United States by the preceding three administrations and of helping to build up world trade

volume by the leveling of tariff barriers and other obstacles to a freer exchange of goods and services. Which of the opposing tendencies in the Administration's program will eventually be clearly ascendant only the less cautious would dare predict.

The inflationary provisions embodied in the farm relief bill stimulated a recovery in prices and business that was indisputably in evidence before the President showed his hand by imposition of an embargo on gold exports on April 19. With the customary lack of moderation, the price rise in some of the exportable commodities more than compensated for the decline in the dollar, thus leaving the competitive position of the country in world markets less satisfactory.

German Front

GERMANY IS ANOTHER NATION in which the signs of strivings for international economic advantage are unmistakable. There are two courses open to a country which would improve its competitive position in the world market. It can, as in the case of England, Scandinavia, Japan and the United States, give up the gold standard. It can, as in Germany, for example, pare costs of production to the bone. This flexibility in costs Herr Hitler proposes to achieve, principally, by the "loosening" of union wages and the reduction of existing interest rates, both on the internal and external debt. Costs in Germany have been more flexible (which is another way of saying they have been more susceptible of reduction) than in any of the other leading trading nations, enabling the Reich to continue to compete advantageously in world markets. Every indication now is that Herr Hitler proposes to exploit this advantage more fully. He proposes the revolutionary step of drafting labor. The first levy in the compulsory labor service will occur next January and will apply to all youths completing their nineteenth year in 1934. They will serve for six

months. The possibility of obtaining labor on favorable cost terms inherent in this move is not inconsiderable. By the reduction in interest charges major economies in production costs can be achieved. Not only are mortgage rates to be cut, but also foreign creditors are to be informed that German debtors, hard put to it as they are, have no choice but to cut interest rates. Dr. Hjalmar Schacht, president of the Reichsbank and the most understanding economic mind in the Hitler entourage, took the first steps in this direction when he came to this country to talk with President Roosevelt.

French Front

WHEN THE UNITED STATES discarded the gold standard as part of an economic policy the complete details of which have not yet been disclosed, France was left in the anomalous position of being the last of the leading world powers still adhering to gold in the strict sense of the term. While not one of the foremost trading nations, France has a sizeable domestic market, and the susceptibility of this market to the in-pour of cheap foreign goods was greatly increased by the 85-cent dollar. The usual defensive measures in an economic war, therefore, had to be taken if French prices were not to be subjected to that withering deflation which wrought havoc in Great Britain and the United States alike. In retaliation against the United States, France began negotiations with Canada whereby imports of the latter's wheat would be admitted at a reduction of about 50 per cent in the tariff, with other Canadian grains to be treated with corresponding partiality. M. Herriot, most popular of the politically influential Frenchmen in this country, came to Washington to discuss the basis of a closer economic understanding with President Roosevelt, but what he accomplished along that line was not clear. Meanwhile, France began the study of revising its numerous tariffs upwards so as to offset the 15-cent depreciation in the dollar. France, though sticking resolutely to gold, was facing the future with grave concern. Her chief sources of income from international trade are from the tourists and her luxury products. They are extremely hard hit.

Latin American Sector

The latest developments in the world depression, notably our departure from the gold standard and the increasing international bitterness in Europe, have left South America almost untouched. On the one hand, those Latin American countries which have contracted dollar loans in the United States find their debt service slightly easier to bear; in the case of Argentina, which throughout the crisis has been doing its utmost to maintain its credit standing in the world markets, the relief obtained through the lower price of the dollar may well mean that default can be avoided, and this has led to a substantial rise in the quotation of Argentine dollar bonds. On the other hand, the depreciation of the dollar has created a new barrier to American purchasers of South American products; whether this will serve to impede imports of coffee and other tropical products remains to be seen.

The situation in Brazil has improved materially of late, and the outlook is better than it has been for a long time.

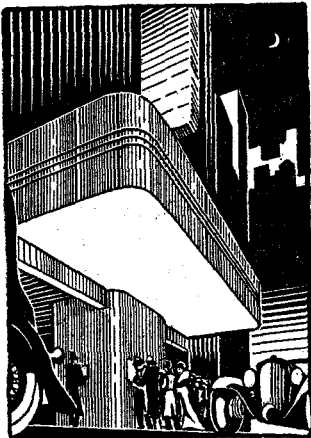
Russian Sector

IN THE FIELD OF INTERNATIONAL ECONOMICS, Russia has lately made two extraordinary moves. It has, on the one hand, suffered its imports to be 80 per cent excluded from the British market, as if its trade position abroad was so strong as to make the loss of the British trade a thing of little consequence. It has, on the other, indicated its desire to sell its share of the Chinese Eastern Railway to Japan. For Russia to give up its interest in the Chinese Eastern must inevitably be interpreted as a sign of weakness, for no nation ambitious to carve out an important niche in the economic world would consider parting with so valuable a trade lever as an important railroad. Unless Russia is intending, now that its industrial plant has been enlarged and improved, to live more to itself, it is difficult to understand why, with an air of sheer bravado, it should toss away its British market and talk of selling its half of the Chinese Eastern. But perhaps of greater import, at least to the United States, of either of these developments is the news out of Moscow that 25,000,000 acres of grain had been planted this

year, as against 8,000,000 a year ago. As one Bolshevik commentator recently said: "If the crops are good . . . we can tell the whole world where to get off." Continuing that strange admixture of communism and capitalism which marks the Russian economy, the government has announced plans to float a new internal loan of 3,000,000,000 rubles. The interest rate is 10 per cent, and interested foreigners are invited to subscribe.

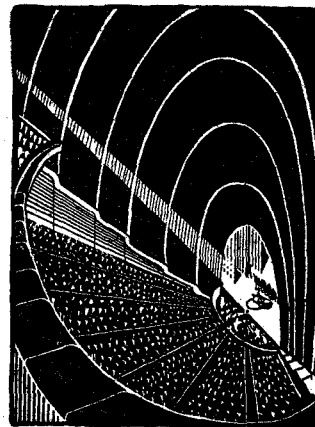
Canadian Front

NO COUNTRY has been more adroit than Canada in making the best of a bad world economic position. The successful manner in which Canada has adapted itself to the fierce struggle for trade advantage is evidenced by the fact that in the year ended March 31 the country changed an adverse visible trade balance of \$2,148,580 into a favorable balance of \$67,693,483. This she did by encouraging exports and discouraging imports, a result achieved not by the orthodox way of lowering home prices, by trimming costs of production but by relinquishing gold. Canada has slipped on and off gold more easily and frequently in recent years than most countries, but since September, 1931, there has been no mistaking its status: it has been off gold. When the United States turned its back on the gold standard, the only effect that historic event had on Canada was to make the Dominion government admit officially that the Canadian dollar was divorced from gold. While the American dollar was falling rapidly after it was released from its gold moorings, the Canadian authorities saw to it that their dollar was kept a step or two ahead of the American unit in the depreciation race. But while Canada has been carefully preserving a full measure of depreciation in its currency, Premier Bennett has been at Washington reaching an agreement with Mr. Roosevelt "to begin a search for means to increase the exchange of commodities between our two countries." Statesmen now work on the simple principle of receiving in return for every bit of their domestic market they give up a concession twice as valuable in a foreign country. It is an excellent principle, if it can be made to work.



To See or Not to See

By Cy Caldwell



The Mask and the Face

Comedy by Luigi Chiarelli, translated by W. Somerset Maugham. Presented by the Theatre Guild at the Guild Theatre

In this gruesome Italian farce-comedy, a sorry thing of shreds and patches, all that I liked was the acting of Leo G. Carroll and the setting by Lee Simonson. The rest of it, from the play itself to the mis-casting of Judith Anderson and Stanley Ridges down to the uncertain and strangely diversified direction of Philip Moeller, I found a doleful annoyance. The unbelievable story concerns the husband who declares loudly before his guests that he would kill his wife if she proved untrue to him, which she obligingly proves to be within twenty minutes, and within thirty feet of him, in a room just off-stage. Furiously driving away his guests, the husband starts to strangle his wife but finds that he hasn't the heart, or maybe its the strength, to do it (for she's bigger than he is) so he sends her away secretly, declaring that he has killed her and thrown her body into the lake. Exonerated after a trial in which his wife's lover defended him, he returns home to a triumphal celebration, and finds that his discarded wife has come back to make love to him, while a long deceased corpse, retrieved from the lake and supposed to be hers, is awaiting burial in the next room. You can imagine how jolly all this is! Played throughout as broad farce, with the ghoulish implications toned down, this cadaverous comedy might have been well enough. But the first act began as parlor comedy, ended as serious drama; the second act was played as farce-comedy until a serious love interest knocked it out; and the last act was an incongruous mixture of farcical fun at a funeral and a lustful love scene between the reunited husband and wife. It was, as you can see, a ghastly mess.

Nine Pine Street

Play by John Colton and Carlton Miles. Presented by Margaret Hewes at the Longacre Theatre

Based on an earlier play by William Miles and Donald Blackwell, this fictionized version of the famous Lizzie Borden murder case proves that four men and an old murder puzzle can turn out one of the dreariest evenings you ever spent in a theatre. It also proves that Miss Lillian Gish can do more than sigh and cough wistfully; she can act with strength and assurance in a role that called for all the muscular power of Wallace Beery combined with the feminine vindictiveness of Adolf Hitler. For Miss Gish as Clara Holden had to batter her step-mother to death with a flatiron and kill her father with a cane, and it was hard to believe that she had done it off-stage. It was even harder to believe that any of the cardboard figures on the stage represented real people; so far as I was concerned the reality of the whole affair resided only in Robert Edmond Jones' authentic setting and costumes. The play started very slowly in September, 1886, and ended very stupidly a year and six scenes later. It died, really, in a last act as stilted and unnatural as any that I have witnessed. Possibly recognizing this unhappy demise, the authors were so distraught that they wrote an epilogue dated twenty years later, resurrected their late unlamented play, and held a post-mortem on it with even sadder results. Miss Gish is fine, Robert Harrison and Roberta Beatty over-act, the minor roles all are well played, and Raymond Hackett is annoyingly himself, as usual. If you're a Lillian Gish or Lizzie Borden fan, see it; if you're not, miss it by all means.

Hell Below

Metro-Goldwyn-Mayer Picture

If Mussolini, Huey Long, Roxy, and the four Marx Brothers ran the United States Navy among them I imagine that the officers and men would get into a state where such a story as Hell Below would be within the bounds of possibility. But as all are busy at other tasks, we'll have to conclude that this is the Hollywood Submarine Division where anything can happen, including Jimmy Durante fighting with a kangaroo, men dying by chlorine gas, love interest, super-patriotism, devotion to duty, disobedience of orders, German destroyers sinking, 1933 type airplanes engaging in a 1918 war, and other highly incongruous but exceedingly entertaining matters that provide an evening of laughs, thrills, comedy, and tragedy. If it's escape you want, this picture will take you out of anything. After all, nobody's asking you to believe the story, and few could. The scenes in the sunken submarine, the depth bombs going off around it, the men struggling to repair damaged engines while the air supply grows steadily less, are remarkable, thrilling, and so real they make you gasp. In these scenes we have the cinema at its startling best, accomplishing what no other art form can remotely approximate. Unusual photography, splendid direction, and good acting combine to make Hell Below a real treat that you shouldn't miss.

Reunion in Vienna

Metro-Goldwyn-Mayer Picture

Robert E. Sherwood's amusing and entertaining play produced by the Theatre Guild with Alfred Lunt and Lynn Fontanne in the leading roles retains in the film transcription all of its glamour, charm, and comedy, thanks to Sidney Franklin's direction, the excellent work of John Barrymore and Diana Wynyard and the able support of Frank Morgan and Henry Travers. As the vain, arrogant, temperamental Habsburg archduke, now a taxi driver, who meets his former mistress at a reunion of decayed royalists, Mr. Barrymore gives a performance that is in amazing contrast to his restrained work in Topaze. Miss Wynyard, superb in the tragic mother role in Cavalcade, brings to the part of the archduke's former mistress the deft combination of comedy, pathos, and wistful charm that the role demands. Beneath the banter and gaiety of the comedy runs the pathos of an ousted social order, which is very touching indeed to former Republican office-holders. Reunion in Vienna is something for the adult cinema patron to be thankful for. What is so rare as a night in June, or a good screen comedy?

The Barbarian

Metro-Goldwyn-Mayer Picture

I have been optimistic enough to believe that the last surviving specimens of the Hollywood shiek species either had become extinct or had been bundled up in their robes and laid away in moth balls until the next generation comes of age, or at least until all had been forgiven for past performances around the Pyramids. But The Barbarian gave me a rude awakening. There was the darkly handsome young man, bounding as of yore through desert moonlight on an Arab steed, chasing Miss Myrna Loy across the Sahara and finally catching her in Cairo. It was all very reminiscent, though Ramon Novarro as the wolf in shiek's clothing did bring a fine comedy sense to the business, which almost made up for the rest of it. But tell me not in anguished accents that we have to go through another cycle of these shiek pictures. Something tells me I would not survive it.

Gilbert and Sullivan's Light Operas

Presented by Milton Aborn at the St. James Theatre

In a month remarkable for several exceptionally dreary offerings, my warmest thanks and my heartfelt gratitude are offered to Mr. Milton Aborn and his good company of artists for providing us with delightful musical entertainment in the theatre. The Mikado, Yeomen of the Guard, and H. M. S. Pinafore are something to be thankful for in these days of frustrated artists, wistful murderesses, dull families on 3rd Avenue, and grisly Theatre Guild gaieties with a corpse hard by. If you want to hear again music that never grows old, gay rhythm that lifts the spirit, and humor that still can make you laugh, join the loyal Savoyards and see the rest of these fine revivals by Mr. Aborn's company. You will, I warrant, be uplifted and refreshed, and smite your palms in hearty approval of the efforts of William Danforth, Frank Moulan, Roy Cropper, Herbert Waterous, Allen Waterous, Vivian Hart, Hizi Koyke, and a chorus that really can sing. Of course, Gilbert and Sullivan were old-fashioned: they believed that people went to the theatre to be entertained, and they entertained them royally. Modern managers and playwrights apparently have decided that theatre-goers prefer to study a weird collection of doleful psychological problems, political and economic cross-word puzzles, and dubious sex excursions. Personally, I'd exchange the lot for one evening of the Mikado.

Best Sellers

Comedy adapted by Dorothy Chesterton Bennett from Edouard Bourdet's "Vient de Paraître." Presented by Lee Shubert at the Morosco Theatre

That Best Sellers is only moderately entertaining is no fault of the excellent cast led by Peggy Wood and Ernest Truex. They have done their best for a fairly pleasing little comedy that unfortunately sags in the middle, letting the audience down with it. The trouble is that the playwright and his adapter provided two acts of amusing satire between which they sandwiched incongruously a second act given over to love and worry. I suppose that they regret this as much as I do; for surely they must know that when writing a comedy it is disastrous to run out of humor and reach for love and seduction instead. However, Mr. Truex is in fine form as the one-volume novelist who couldn't write another one because he had been inspired only by an ante-matrimonial love adventure of his wife's; and Miss Wood is her charming best as the devoted wife who determines to have another affair, solely to provide her husband with the literary love material without which he is stymied. George Coulouris is very helpful, and Ian Keith does his best in a stiff and artificial role. If you can doze, or eat peanuts, through that dreary second act, you can enjoy the rest of it.

The Eagle and the Hawk

Paramount Picture

This is an unusual and interesting picture portraying a war pilot's reactions to the business of murder on an international scale, and for ideals that almost invariably prove illusory the moment the war has ended. The pilot (Frederic March) cannot resign himself to the death of five observers who have been killed, one after another, in his plane; nor can he rest content after killing a young German ace. Decorated for his services, and held up as a shining example for young pilots, he finally commits suicide. There the picture should have ended. Unfortunately, his sixth observer, a ruthless killer who shoots defenseless enemies descending from kite balloons in parachutes, suddenly and too surprisingly becomes noble and arranges matters so the pilot will appear to have died in aerial combat. This is the prominent false note in an otherwise effectively ironical comment on the heroics of war in the air; the picture lacked the courage to carry out its convictions to the bitter end. Many of the details are realistically handled, while others will give our English cousins and others who served in the Royal Flying Corps a hearty laugh. Despite Hollywood's apparent belief, R. F. C. officers did not take baths in the densely populated back yard of a farm house, nor were squadron commanders such dear old softies as the kindly imitation in this picture; nor, out of a squadron of 36 flying officers, did commanders have only two heroes on whom they could depend. And five dead observers, with the pilot sitting right ahead of them yet with never a bullet in him, is hard to take seriously. Despite these defects the picture is thrilling entertainment for those who like nature in the raw.

\$25 an Hour

Comedy by Gladys Unger and Leyla Georgie. Presented by Alfred Aarons and Thomas Mitchell at the Theatre Masque

The all-time low for theatrical nit-wit sex irritations is achieved in this dull and labored trifle concerning the gigolo voice culturist and the woman who loved him and left him in the care of her friend, to be returned to her when she got back from Europe. Georges Metaxa, Jean Arthur and Olga Baclanova struggle hopelessly with the awful drivel and win only my sympathy. Director Thomas Mitchell, who heroically tries to make something out of nothing, also goes down to defeat. I could understand how one producer, thinking alone and unaided, could consider this imbecility worth presenting; but how he could find another man to agree with him is what staggers me.

The Warrior's Husband

Fox Film. Jesse L. Lasky Production

Anything out of the usual run of film fare receives a warm welcome from this old commentator, even if it isn't as good as it might be. Therefore I applaud this farcical fable of the battle between the Amazons and the Greeks in those glorious years B.C., and before the Greeks had transferred their interest from the cultural to the culinary arts. For those who are not too profound it is pretty good entertainment, in spite of feeble dialogue and attempts at humor which not infrequently verge on the pathetic. While it fails to entrance the ear, it is a pleasing eye-ful, extravagantly set and costumed, excellently photographed, and well enough acted. As the shrinking violet husband of the Queen of the Amazons, Ernest Truex is sufficiently amusing; and Marjorie Rambeau as the Queen is virile enough to knock out any Greek and throw him out of his own restaurant. Elissa Landi plays the part of the Queen's sister with charm and beauty; and as for the supporting cast of Amazons, no such strapping creatures have been observed in the land since Billy B. Watson and the Beef Trust Beauties retired to private life.

The Silver Cord

RKO—Radio Picture

The screen version of Sidney Howard's effectively dramatic play about pathologically selfish mother love is marvelously done, with Laura Hope Crews, who played the role in the original Theatre Guild production, as the scheming mother; and Frances Dee as the fiancée of one of the sons. Eric Linden and Joel McCrea, as the sons, and Irene Dunne, as the wife of the elder one, turn in performances of merit. Director John Cromwell does his best to make a moving picture out of a stage drama. That he almost succeeds, even though he uses the obvious device of having the characters walk slowly up and down stairs while they speak, is greatly to his credit. However, well done though this stage play undoubtedly is, it remains a photographed stage play, not a moving picture. Motion picture producers would do well to remind themselves that there are pictures which move, and stage plays that sit and talk. And never the twain shall meet on entirely satisfactory common ground, even though all of the characters keep on walking and talking from beginning to end of the picture. The talking photoplay was born of the Movies; it should not trade its birthright for a mess of talkage.

The Kiss Before the Mirror

Universal Picture

This adaptation of Ladislaus Fodor's play is built upon the supposition that an unfaithful wife, suddenly kissed by her husband while she is making up before the mirror, will betray herself by registering her annoyance, for the husband to observe. One wife did so, her husband shot her; and his defending lawyer, suspicious of his own wife, tried the mirror test, and she also betrayed herself precisely as the other wife had done. It took a Viennese playwright to think up anything so fanciful; but it would take a more trusting soul than myself to believe that two women would act exactly alike in these identical circumstances. Perhaps for that reason I could see all the dramatic wheels going around, and going around very, very obviously. The director, James Whale, evidently was so anxious that we should understand his fable that he explained it to us in what I call one-syllable acting—each dramatic movement spelled out carefully in words and gestures, with nothing whatever left to the imagination. With more subtle direction and a more suitable cast, this picture might have been very good.

An Experiment in Local Politics

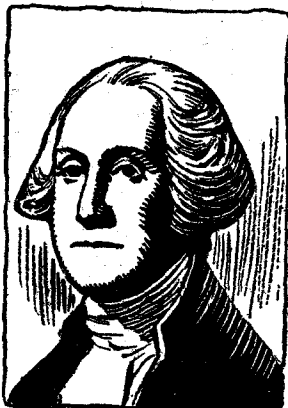
By John D. Fitzgerald

The defendants of the claim that there is a new life today in American politics which is being recreated by young business and professional men are pointing to the coming importance of "the Linton Club idea." John D. Fitzgerald of Milwaukee, tells the story of this club and its striking success.

FOR OVER HALF A CENTURY the average American has deplored the fact that the control of our political system has rested in the hands of the so-called politicians. "Gone were the days" when promising young men looked to politics as a suitable and dignified career. They preferred, it seemed, to cast their lots in the more lucrative pursuits of private business. Intelligent and constructive interest in public affairs likewise has fallen to a point where politicians, in the accepted sense, have assumed full control of the basic machinery of government. It is virtually the latter's province, and there seems to be nothing that the public spirited citizen can do to improve the situation.

In a few instances, a number of successful business men, prompted by the seeds of personal ambition, or the desire for public service, have attempted to break down the citadels of the politician. Generally these efforts have been directed toward a major office. Cry of reform against flagrant abuses, or extravagances of the politicians, have sometimes carried these business men into power, but in general their careers have been short-lived. The politicians still controlled the organization "down the line," which saw to it that such threats to their scheme of things were soon removed from office.

It has only been during the past three years of continued depression that the average American is again looking seriously at this subject of politics. Not so much with the idea of seeking public office, as with the object of remedying, if he could, a tax problem which was fast becoming a serious burden. The office holders, quite naturally, have become alarmed as their reign of power thrived during these many years of public indifference. The result has been record breaking votes, and the "ins" have gone "out" with surprising regularity. This general house-cleaning in local and state politics is unquestionably a healthy sign, but as yet no tangible solution to this basic problem has been forthcoming.



About a year ago in Milwaukee, a number of young business and professional men were discussing this very question. This city, in spite of its favorable publicity on its Socialistic regime, was facing the same acute problems of all its neigh-

bors. Sincere in their desire, this small group of about half a dozen set out to see what they could do to help remedy this local situation. Carried away at first by youthful enthusiasm, they talked glibly of running a promising attorney for Congress. Advice from several "older minds" coupled with business objections caused this idea to be discarded.

Their enthusiasm was then directed to the formation of a club, non-partisan in fact and pledged to the furtherance of the cause of good government. Records of several of the British political clubs were studied and certain basic ideas adopted. The selection of the name was simple. Two patron saints of good government, Lincoln and Washington, were chosen as standard bearers, and hence the name—Linton Club. A general constitution and set of by-laws were carefully drawn up and adopted. They provided among other things for a limited active membership of about fifty with a larger group of associate members in sympathy with the movement, but who, for one reason or another, could not take an active part in the functions of the group. This was just a year ago.

On their own admission this group of scarcely a dozen men, ranging in age from 25 to 40, knew nothing of politics. The first job then was self-education. Competent speakers on matters of taxation, legislation and administrative subjects were invited to address their semi-monthly meetings. These gatherings were well attended, and other interested young business men, learning of them, sought active membership.

In June, 1932, the citizens of Wisconsin began to focus their attention on the election of a governor. The excessive tax program with its failure to remedy the unemployment and farm crisis had placed the state administration in an unhappy position. There was going to be a change.

Four of the charter members of the Linton Club were elected as delegates to a state-wide conference at Madison. It was the primary job of this conference to select a candidate to oppose the governor for renomination. It was here that these four representatives had their first taste of real politics. In keeping with their principles of good government, they actively supported the drafting of Walter J. Kohler, a successful business man and a former governor with a constructive record. Mr. Kohler accepted the draft, and the group set out to work in their sphere of influence to assist in his nomination. At this time the membership was confined to a few wards along the lake front and the suburbs to the north.

The Club now carried its program in political affairs beyond its own membership. Large luncheons and mass meetings were sponsored, and addresses given by business men, newspaper editors, and civic leaders. In the



meantime the associate membership list was growing. Meetings and discussions to which they were invited struck the fancy of the older business men.

But the Linton Club was not devoting all its time to state politics. Candidates of both the Democratic and Republican parties for local offices were invited to luncheons to discuss their qualifications and ideas if elected. Comprehensive questionnaires were also sent out to these local candidates. A summary of these investigations was mailed to the associate members as a guide in the discharging of their duty of voting. But just interviewing candidates and working for the election of a comparative few was not enough to satisfy this youthful spirit. They wanted to get their "own feet wet."

Party committeeman is the lowest step in the ladder of local politics. In Milwaukee it had been a job going by default in most cases and the control of the county committee rested in the hands of a few old-time bosses. This was particularly true of the Republican party. As the Linton Club was supporting Kohler, a Republican, in the Primary election, it was decided to run a Linton Club member for Republican party committeeman in the first ward. A "Club caucus" selected Albert Earling, an insurance agent and grandson of A. J. Earling, former president of the Milwaukee Road. His opponent had held the office for many years, and was also an officer of the county committee.

An old-time parade was held on the day before election and an extensive telephone campaign was made that evening. On election day headquarters were established at the home of one of the members and more than 300 non-registered voters were sworn in. Cards were also distributed at the polls throughout the day. Never before had there been any excitement, let alone *such* excitement, over party committeeman in the first ward! The outcome was a two to one victory for young Earling. With him were swept in a majority of committeemen brought out by a special citizens' committee of which two officers were members of the Linton Club. Thus in one election the county committee had been revamped through the election of a majority of committeemen pledged to the principles of good government.

While the Primary campaign was in full swing, several other members organized a corps of over 200 challengers who were placed in the booths on election night to check the actual counting of the votes. It had been reported that in many precincts the actual recording of the votes varied considerably from the intention of the voters, and these challengers were present to question any errors or irregularities. And so the Linton Club went through its first campaign.

The final election in November was overshadowed by the national campaign upon which the Club took no stand. Some members voted for Roosevelt, and others

for Hoover. Further investigations of the successful local candidates were made and a second report sent to the associate members. The news of the work of the Club was spreading and favorable publicity had appeared in a number of mid-western papers. Inquiries from other groups followed and similar groups were started in Racine and cities in the Fox River Valley. This interest was communicated outside the state, and communications were received from business men in Cleveland, Detroit, St. Louis, Duluth and Rockford, Ill. Complete data was furnished in each instance, but the club members did not feel that the time was ripe to push national expansion.

Just as the members were catching their breaths and getting back to their own business pursuits, the Chairman of the County Board of Supervisors passed away. Supervisor McCarty had represented the first district for twenty-five years and had been chairman of the board for fifteen years. The county board has complete jurisdiction over all expenditures of the county, including the unparalleled load of relief for the unemployed. No appointment for a successor was made, and the question of a new supervisor was turned over to the voters in a special election to be held the following April. Shortly after the first of the year eighteen candidates had announced their intention of seeking this office. In normal times it would be safe to say there probably would not have been more than four or five. The Club reviewed the list carefully and found it included the usual number of perennial office-seekers. It was then decided, after serious discussion, to draft one of their own members to enter the contest. If this new club was to become a force in local politics, it had to establish its claim for recognition. The discussion brought forth the name of Philip K. Robinson, 40 years of age, a graduate of the law school, with a wide experience in matters of municipal finance. A committee of two called on him to present the idea. The question came as a complete surprise to Mr. Robinson. After being promised full support in matters of organization and necessary financial help, Mr. Robinson accepted.

The Linton Club had a candidate in the field for a major local office, but "its members knew nothing about politics." Counsel with a few older business men and friendly politicians uncovered the helpful advice: "It can't be done."

The first campaign meetings were held at the Linton Club headquarters in one of the downtown hotels and in the office of an investment security salesman, a member of the Club. But an organized campaign calls for a headquarters. A vacant store in the district, situated within walking distance from Milwaukee's "loop," was provided by a sympathetic business man. It was here that the group which became the "Robinson for Supervisor Club" would meet after working hours, and on Saturday afternoons. A few chairs were rented and a nickel telephone (in order to control the expense) was installed.

It was now time for building up a workers' organization. A list of about fifteen men and women from among the acquaintance of the members was called to

attend a meeting one afternoon in February. A heavy snow storm started that morning and by noon traffic was at a standstill. Consequently only two red-cheeked girls braved the elements to join the Robinson banner. Things looked very bleak.

Back into a huddle went the neophyte politicians. This question of organization was a little baffling. One member advanced the idea that a committee be appointed to canvass apartment buildings, another work through offices and factories, etc. This soon developed into a hopeless task. Another member of the group who had been closely identified with the Milwaukee Community Fund Drive made another suggestion. The first district was composed of two city wards and twenty-five precincts. The suggested plan was to group these precincts into five divisions with a commander at the head of each.

In order that the reader may better understand subsequent developments, it may be well to "break down" the nationalities and influences of this interesting First District. About seven precincts follow closely the shores of Lake Michigan and include old fashionable residences and apartment buildings, with an average vote of about 2,000. To the west of this section are three or four precincts with a solid Polish vote of 1,500. The Italians likewise have their precincts in both wards with a voting strength of at least 2,000. The Irish had their voting contingent of several thousand, plus a much smaller settlement of Greeks. The balance of the district includes the cheaper apartment and rooming houses together with a fluctuating floater vote ranging from 1,500 to 2,000. The Poles had a candidate, the Irish a candidate, the Italians a candidate, the rooming house district a candidate, in addition to fifteen other "favorite sons."

The skeleton outline included on paper all these precincts, though it was carefully seen that at least one of the seven lake precincts was included in each division. With a late start and limited man-power and resources, the job was clearly to get out "the Robinson vote." Precinct captains and workers were assembled for these seven precincts with a few scattered names in the others.

Workers like meetings—so that was the next job. About three weeks before the Primary, a simple twenty-five cent buffet luncheon (strictly dutch treat) was served by the corner druggist in the headquarters on a Saturday noon. "Headquarters for Phil K. Robinson for Supervisor" had been painted on the windows that morning, and the campaign was on in earnest. The spirit of these workers (90% of whom had never been identified with any political activity whatever) showed clearly that they meant business. There is no stronger force than a volunteer group that is really excited!

"Committeeman" Earling had been selected campaign manager and so opened the meeting. In emphatic tones he urged the workers to check over the polling lists to initial the names of friends and acquaintances. Pledge cards were printed reading: "I promise to vote for Philip K. Robinson," name, address, telephone, and were distributed to each worker. A system of simple quotas had been established and reports of each division were to be asked at a second meeting the following Saturday. A signed pledge card, or a signature on a Robinson nomination paper, was considered a "blue checked" vote

on the master polling list. The candidate himself then made his first address, thanking the workers for their interest and urging systematic canvassing of their friends and neighbors.

The division commanders set out to work with their precinct organizations. Two of these commanders worked in industrial concerns and threw into their new assignment all the efficiency of plant routine. Another was a lawyer, the fourth an insurance salesman, and the fifth a specialty salesman. Precinct meetings were held during the week and plans laid for the systematic contact of the favorable voters. A simple story in mimeographed form had been furnished each worker.

The following Saturday a second luncheon meeting was held at the headquarters. One by one the division commanders were called on for reports and the results recorded on a large chart. Over twenty-five per cent of the quota had been favorably contacted.

Another interesting sidelight on the campaign was that the Robinson workers were playing a lone hand. No attempts were made to see what the opponents were doing, or saying. Only occasional bits of gossip from one advertising salesman who frequented the headquarters gave any clues to the movements in other camps. The consensus of the "old masters" seemed to be that there were four or five candidates in the running with Robinson as a dark horse of questionable strength. This was good news! The less stir that the Robinson campaign caused in the Primary the better were the chances, it was felt.

A few campaign tire covers were furnished the workers, and the final drive began in earnest. The nineteen candidates were invited to speak at an open meeting of the League of Women Voters. Speaking alphabetically, Robinson was number 17. His message was brief and dignified, stressing the fact that the condition of his taxes had drawn him into this fight. The success of this meeting was hard to gauge as each candidate had his own following. Later comments, however, disclosed the fact that Robinson had made a favorable impression on the other camps.

Extensive telephoning of the "blue checked" names began over the week-end and through Monday evening. On Tuesday, Election Day, headquarters were established at the campaign manager's home. Additional volunteer workers were on hand to distribute cards at the booths, drive the "lame and the sick" to the polls, and swear in non-registered voters. About three o'clock in the afternoon a systematic check-up was made of the polling lists in the booths to determine which of the "favorable" voters had not voted. The telephone was then employed religiously for several hours so that by closing time the vast majority of the "Robinson vote" had been cast. Challengers were placed in the booths at the time of counting and returns relayed to head-



quarters before 10 o'clock.

The totals were counted and returns showed that Robinson was apparently nominated, nosing out the Polish candidate by a dozen votes and the Italian candidate by nearly fifty. James E. McCarty, son of the late Supervisor of the First District, headed the procession by several hundred votes. The election being non-partisan, the two candidates receiving the greatest number of votes were entitled to fight it out at the final election. The seven "Robinson" precincts contributed well over a thousand of the 1,131 Robinson votes. This figure, though less than the Primary quota, closely paralleled the final report of the division commanders of 1,200 favorable contacts. The concentrated effort, working in spheres of influence, had done the trick!

Rumblings of a recount started immediately in the wake of the Primary victory. Various rumors were being circulated; the Italian candidate felt that he had lost a sizeable vote in one of "his precincts." The political machine backing McCarty was anxious to have their candidate oppose an Italian or a Pole rather than Robinson, and hence hoped a recount might alter the Primary outcome.

Three or four days elapsed, and the Italian candidate called for a recount which was to be held at the county court house the week following the Primary Election. Here again a few of the old minds were consulted relative to the probable outcome of a recount. All were very reassuring, citing only two cases in 20 years where the final result was changed. But, they said, come to the recount armed with a legal counsel.

The day of the recount arrived. The chairman with his two fellow commissioners sat as an august tribunal. About them were a number of interested candidates, key-workers, and several attorneys. Precinct Number One which had given Robinson a big majority was carefully recounted. At the conclusion it was discovered that Robinson's total had shrunk five votes from the police count. Other precincts were counted in order, Robinson losing a vote here and there and the Polish candidate, who had been third in the race, gaining an occasional vote. The counting was interrupted at one point over a discussion of one ballot on which the voter had written in the name of Phil Robinson. The commission refused to rule on this ballot because the voter had not put a cross after it. The outcome hung in balance from the outset, and at one point the Polish candidate dramatically forged ahead by two votes. Cold beads of perspiration formed on the brows of many of the interested Robinson workers who were still uncaloused to the vicissitudes of political campaigns. In two later precincts, however, Robinson gained one vote each. Audible sighs of relief could be heard. After counting nineteen precincts the Italian candidate, acting on authority, called off the recount because his standing had not been bettered. The count at this point was tie. The commission, in spite of objections, "recounted their own recount" of the two precincts in which Robinson had shown a gain. The results were unchanged. The commission then retired for further deliberation in an antechamber. During this recess Robinson's attorney, who was incidentally the president of the Linton Club, pro-

duced the statutes which stated that if the intent of the voter was expressed, the vote was valid. This word was sent in to the commission for their perusal. In a few moments the chairman, eyes hid by a green eyeshade, announced to the assembled group: "Robinson by one vote."

There probably has never been a more dramatic episode in local Milwaukee politics! The recount had caused a week's delay, but its contribution to the success of the Robinson campaign was immeasurable. In the first place, take its effect on the voters. In practically every home from which a vote had been cast for Robinson, the conversation that evening ran along these lines: "I bet that it was my vote that nominated Robinson." While some other member of the family, or a neighbor, made a similar claim. Scores of such conversations came to the direct attention of campaign headquarters.

Consider for a moment the workers. Never before had they such positive proof of a seemingly trite expression: "Every vote counts." This dramatic story was quickly inserted in every "worker's manual" to be used on the firing line. But its significance went further.

For the first time these political neophytes fully realized that they were battling an old-time ward machine. It was clear that their opponents meant business, and that the final election was going to be a bitter struggle. From this point on the tenor of the campaign changed.

Two weeks were left before the final election. Obviously there was a greatly magnified organization problem to be effected. The first step was to break down the "division plan." The old commanders were placed in charge of precinct organizations, and the tried workers of the Primary allocated to assist them. This scheme threw virtually all the original Robinson workers into the trenches of the seven "lake precincts" preparatory to the final drive. These precincts had delivered a satisfactory Primary vote, but it was now necessary to go back "with a fine tooth comb." This was step Number One; but what about the other 18 precincts?

By this time a vast majority of the unsuccessful candidates had promised support—but this in itself did not mean that they could deliver their entire vote. There was a job open for a generalissimo to synchronize the forces on the various fronts. The campaign manager was busy with the candidate making speeches and attending meetings. Someone had to stay behind and marshal the forces. One of the division commanders, schooled in the shops and office of a large industrial plant, had displayed unusual thoroughness in the campaign up to this point. This was quite remarkable in view of the fact that all of his "campaign time" came after five o'clock and during week-ends. So John T. Brown became the generalissimo.

One practical problem immediately presented itself. The Polish workers would not come to the downtown headquarters. It wasn't the way they did things. This meant a First Ward headquarters had to be established in the heart of the Polish settlement. The defeated Polish candidate and his lieutenants were placed in charge, and the name "Philip K. Robinson" soon appeared on the windows for the edification of the Polish constituents. At the same time there was a considerable change in the atmosphere of the original headquarters.

Before the Primary election, a handful of workers happened in during the day for more pledge cards, or other data and only during meetings did the interior take on the bustle of intense activity. After the nomination it became virtually a mad-house. "Floaters" came in to get out of the cold, workers of all camps became regular callers, salesmen of all descriptions began peddling their wares, and the telephone rang continually. The Linton Club members were fast becoming politicians!

Four bill-boards: "Vote for Phil Robinson—a new deal for the first district," soon greeted the passerby at strategic points in the district, and a supply of window display cards was distributed "along the route" of vacant stores, soft drink parlors, and the like.

Things were progressing smoothly until one of the local newspapers stirred up some excitement. Bent on a feature story they set out to interview both candidates. Starting with McCarty, they inquired as to his attitude towards the campaign, to which he replied, "Robinson is the 'gold coast' candidate, and is backed by the society folks of the 'Back Bay' and Prospect Avenue district, while the McCartys are common folk, and we've always been for the common people." He then went on to cite figures of the Primary election to prove his point. He failed to add, however, that his father had always carried these precincts by large majorities in the past.

Then Robinson was given an opportunity to give his answer. "That's absurd," he said. "McCarty has a lot more money than I have. He just inherited a large sum from his father. Everything I have, I have earned myself." And then he concluded: "I got interested in politics a year ago because my taxes were getting higher than I could afford to pay. I wanted to do something about that if I could."

The old argument of class versus class had been introduced into the campaign. Some "bearish" supporters expressed the belief that this article would cost a thousand votes, while other more optimistic souls felt that Robinson had bested his opponent in this verbal spat.

Then came the second encounter. Apparently feeling a bit worried, McCarty rushed in the chairman of the Democratic county committee, who resided across the city, to speak at one of his workers' meetings. The cry of party affiliation was thus injected into a non-partisan election. McCarty was a Democrat and hence should be supported by all good Democrats. Robinson, on the other hand, had been endorsed by the Third Ward Republican Club. The defeated Polish candidate, also a Democrat, was severely reprimanded for his support of Robinson. This move meant two things. In the first place, the Robinson opposition was attempting to trade on the current popularity of the national Democratic administration, and secondly, to put the defeated Polish candidate "on the spot." If they could embarrass him in the eyes of his party, possibly he would run to cover.

Then came the reply. Quick check-up showed that both the duly elected Democratic committeemen for the first district were actively supporting Robinson. Who better than they could speak for the Democrats of this district? And so they did, in emphatic tones, at a Robinson meeting, and the morning paper carried their an-

swer to the county chairman. The campaign was developing into a real "knock down, drag out" affair. Everyone closely identified with the campaign anxiously picked up his newspaper to see what the next development would be.

Meetings, as they had been known in the primaries, now became rallies. Overflow crowds were the goal of both candidates.

The final drive on all fronts continued up to Election Day. The forces of the "lake precincts" were marshalled at a final rally—an unknown episode in the history of this conservative neighborhood. Then Election Day. . . .

For every voting precinct there had been assigned two challengers. One was stationed there throughout the day, recording the name of each person on a polling list as he or she voted. The other challenger acted in a relief capacity and relayed this information at stated intervals to the headquarters. Then there was the question of transportation. The Polish and Italian people did not like to walk to the booths—they often voted just for the ride. By systematic telephoning nearly 200 automobiles were procured—some high-powered sedans driven by liveried chauffeurs, and others, broken-down model-T's. It didn't matter as long as they would get to the polls. It was truly an amusing sight to see the parade of machines—some carrying Robinson signs, and others, McCarty's—taking the housewife and family in style to cast their votes.

At eight o'clock both challengers were in the booths, ready for the count. A few reports quickly showed, however, that this was not to be a "one vote" election, but a Robinson landslide. The old machine had been beaten. By ten o'clock the total vote was in. Robinson 6027, McCarty 3746.

True, the election of Philip Robinson is obviously of no national concern. On the other hand, the work of the Linton Club, of which Mr. Robinson's election is a major part, has already attracted considerable attention. Following the election the *"Chicago Journal of Commerce"* carried editorial mention. Within two or three days individuals from 25 middle-western cities sent inquiries. Colonel Robert McCormick, publisher of the *"Chicago Tribune,"* has become much interested in this movement as demonstrating what the average citizen can do in politics. Without any doubt, this original group of six young business men in Milwaukee had unknowingly discovered the germ of an idea of national consequence. The same question: "What can we do about it?" is on the lips of literally thousands of business men today. The success of the Linton Club to date indicates clearly that things can be accomplished, if the proper effort is placed behind a given objective.

Certain fundamental facts, however, should be borne in mind. The Linton Club started at the bottom of the political ladder and is working up. There is no question that the root of present-day governmental problems rests with local affairs. Secondly, they have shown that the job is one of organization, rather than individual effort. The old political machine can still best individual effort, but is hopeless in its defense against an organized majority. The size of the Milwaukee vote for a seemingly unimportant election illustrates clearly that the "Linton Club idea" is destined to receive popular support and an increasing country-wide attention.

Outlook Book Choice of the Month

Reviewed by Robert Cantwell

LITTLE MAN, WHAT NOW? by Hans Fallada. Translated by Eric Sutton. \$2.25. 339 pp. New York: Simon and Schuster.

IN THE RUSH of confused, contradictory and almost heartbreaking news from Germany, this little novel of the German depression has a peculiar and timely importance. Not that it is in any direct sense a political work, or that it advances the author's political beliefs; it does not, and you can almost see Herr Fallada trying to avoid the political implications of his story. "Little Man, What Now?" is descriptive rather than persuasive—although, of course, a certain attempt at persuasion is implicit in the choice of subject and in the general color the author gives to it. It tells what happens to a young unemployed couple in Germany, and makes no deep investigations into the causes of their plight, or into possible ways out. But it does show, with clarity and a good deal of modest humor, the way the Depression has touched—if that word isn't too weak—two individuals who are typical of hundreds of thousands; it dramatizes their struggle for existence, and the ways in which they adjust themselves to new and ever-increasing difficulties; it shows the stubbornness with which they cling to some of their beliefs, and the readiness with which they discard others. And though it has literary value, I think it will be read primarily for its picture of contemporary German life, and for the light it throws on the confusion of happenings there.

Incidentally, the Depression has now lasted for so long that, like the World War, it has given birth to yet another monster in the literature that revolves around it. Leaving aside the writings in newspapers and magazines, and the countless economic and political tracts, discussions and proposals, there is a whole library of fiction set against the background of the current disorder. Recent American novels like Meyer Levin's "The New Bridge" and Albert Halper's "Union

Square," are specifically concerned with the Depression, and illustrate different, not very satisfactory ways of facing it. There are scattered references in the majority of contemporary novels, ranging from the brief dismissal in "Ann Vickers" to the troubled and uncertain conclusion of "Inheritance." The German novelists have been able to study their depression ever since the War, even to grow familiar with it; it is less a vast, inexplicable, fluctuant subject with them, and they write of it with more assurance. It is difficult to think of a known American writer who could write on a theme similar to that of "Little Man, What Now?" without getting involved in all sorts of explanations and arguments, defenses and expostulations in the course of his story.

The progress of the novel is almost amazingly simple. The book opens when Johannes Pinneberg and his sweetheart decide to get married—a decision somewhat hastened for them by nature, to be sure, but one which pleases them once it is made. For the first third of the book they are involved in a struggle to live on Pinneberg's income of a hundred and eighty marks a month, to keep the knowledge of his marriage from his cranky employer, and to prepare for the birth of their child. They fail miserably in meeting the first two difficult conditions, and Pinneberg is fired. They are rescued by Pinneberg's mother, and move into a rather ambiguous environment in Berlin, where Pinneberg is given another job after some underhanded intrigues. But this too goes down under the attack of an efficiency engineer—it is a nice touch that Pinneberg is actually fired because he tries to keep up his quota—and they are in a more desperate situation than ever. They have a child to take care of, Pinneberg's mother and her lover are in jail, the dole isn't enough to pay for their food. Pinneberg's wife is the daughter of a working-class family,



and more realistic than her husband; she gets a little sewing to do and her spirits keep up. But the former book-keeper and salesman is thoroughly whipped; he never really awakens to his predicament until he takes off his soiled white collar and is promptly hustled by the police. There Hans Fallada leaves the Pinnebergs and the "What Now?" of the title is made to serve, a little lamely, as the conclusion of the book.

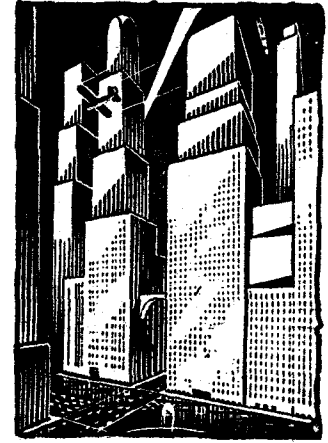
There need be no criticism of the novel as a picture of the way the crisis intrudes in the life of a simple, attractive, home-loving couple. In a note about unemployment, printed on the jacket, he says, "There have been plenty of dismal, gray, tendentious novels dealing with this theme. They've always irritated me, because I know these people. . . . They have their days of joy, too, and it isn't true that they're always slinking around with long, drawn faces."

This, of course, is true, but going to the other extreme is a major weakness of "Little Man, What Now?" Hans Fallada has an affectionate feeling for Johannes and Bunny; he likes to write about them when their faces aren't drawn; you can detect a lift in his spirits, revealed in fresher details in his writing, when they experience their moments of good fortune. He knows they have their moments of despair, and that such moments can't be ignored, but, like someone too tender-hearted to endure the sight of pain in those he loves, he merely gives a quick glance and looks away again. So he skips over a year of starvation which must have made drastic changes in Pinneberg's thinking and in his relationship with Bunny, but devotes chapters to their erratic life with Pinneberg's mother. For these lighter moments he is a

(Continued on page 62)



Talk of the Nation



An Elevator Ride

WORLD-WIDE interest was aroused, a month ago, by the trial in Moscow of the six British engineers charged with espionage and sabotage. Suggestions that it was a frame-up, that the whole idea was to whitewash failures in the Five-Year Plan, and that the men were subjected to undue pressure, were thrown about freely, especially in accounts coming through London. But this line of explanation did not seem wholly satisfactory.

Possible repercussions of the case upon our own proposed recognition of Russia made the facts of the proceedings unusually important for the American press; but in spite of the large amount of newspaper space used, a good deal of curiosity is still felt about what actually went on.

Our contribution to this is a small, but interesting, detail about the "influence" employed on one of the defendants, and, presumably, on the other five as well.

It will be remembered that when Allan Monkhouse arrived back in England along with Nordwall and Cushny, his co-deportees, and Albert Gregory, who was acquitted, he refused to speak in detail about his experience, fearing he might jeopardize the chances for release of the two remaining Englishmen. However, he later gave friends a partial account which has not heretofore been made public, so far as we know.

A correspondent for a London newspaper had imputed to Monkhouse a charge that he had been hypnotized. "Eyes, eyes, nothing but eyes." But this Monkhouse repudiated unequivocally upon his return.

When he was taken into custody, he said, he had been separated from his companions. (He remained so

throughout his imprisonment and trial.) After the moment of the arrest, not one word was spoken. The police agents conducted him, using no force, to the large, gloomy, mysterious building which houses the O. G. P. U. and motioned to a small circular steel staircase, up which he was escorted for five endless flights. At the top was a room partly filled with the police officials, but with not much other furniture. Here, with none of the gratuitous shoving and prodding so generally favored in police circles, he was led. In complete silence he was divested of all his clothing, until nothing remained but his beard, whereupon his guardians took him through devious and soundless corridors to a small door of steel. This they opened, and he was placed, alone and stark naked, in a tiny, cage-like elevator. Still no word had been addressed to him. The door was shut, and the Director in Russia for Metropolitan-Vickers, Limited, began the slowest and longest elevator ride of his existence. How many flights he descended he had no way of telling, and doesn't know to this day, but the little cage moved with a remorseless and awful deliberation which reduced its solitary passenger to a feeling of bleak despair. He was undecided, he said, as to whether he was going down into boiling oil or merely into a fiery furnace.

Finally, after what seemed like enough time for several Five-Year Plans to come and go, the elevator stopped. He was met by more guards and led to a cell.

That was all. No brow-beating, no blinding lights, no rubber hose. The police had merely taken his personal belongings in order to search them thoroughly and had then transferred him to another part of the building. But if the Gay-Pay's had wanted to induce a little healthy scepticism about the sun's continual

shining on the Empire, it is hard to think of a better method.

The Professors Again

We heard the following bit of history from our secret agents at the White House: A man called up the Executive Offices and asked, very frantically, to speak with the President. After considerable wrangling with secretaries and such, he was finally put on the wire to the inner sanctum.

"Mr. President," the man said plaintively, "I have come to Washington on an extremely pressing matter, and I beg you to help me. There is a man I *must* see. Could you possibly use your influence to get me an appointment with Professor Raymond Moley?"

The Students

Maybe we're just mean-spirited. The Freudians would probably diagnose it as a bad case of galloping sublimated envy, directed at the happy, happy young people still loafing their way through bright college years. Anyway, the fact is that we are always glad to lend a hand in destroying whatever illusions there may be current about school and university life.

Thus we take great pleasure in reprinting the following editorial paragraphs from *Comment*, a valued competitor of ours, which is published at the University of Chicago:

"*Comment* began its career last quarter as a result of the belief of the editors that the University of Chicago, a great educational institution and a so-called hotbed of liter-

ary talent, definitely needed a magazine devoted to publication of the literary and critical efforts of the student body. It was to represent the University, as the University represents the best in thought and artistic appreciation in the middle west. It was to bring to a boil the simmering talent with which the campus was flooded. It was to be the means of focusing attention upon young college writers. It was, in a word, to reflect campus thought.

"There is nothing to reflect. That, in a few more words, is our honest opinion, now that six months of gathering material have revealed an amazing paucity of worthwhile manuscripts. Sirupy stories, anemic essays, and saccharine sonnets have outnumbered in a disheartening degree those manuscripts which showed literary ability. In our first issue we presented the work of established writers in order that *Comment* might adequately claim the attention of its readers. That we are forced also in this issue to procure material from outside sources perhaps definitely proves that the University has nothing to offer in the line of student literary talent."

Departmental Qualms

There was a minor crisis in our White Rabbits Department this month; the cause, a large and impressive envelope bearing the official insignia of the United States Marine Corps (an eagle, saying "Semper Fidelis," sitting on top of the world, which is apparently impaled on an anchor). All kinds of fearsome explanations for the communication presented themselves to our suggestible editorial mind, and it was some minutes before we could bring ourselves to see what it was all about. However, our fears were banished by the sonorous first paragraph, an old friend to all experienced newspaper and magazine readers:

"The opinions or assertions contained in this article are the private ones of the writer and are not to be construed as official or reflecting the views of the Navy Department or the Naval Service at large."

The shock of relief was so great that we were unable to read the rest of the missive. The Office Boy in-

formed us later that it was just Another Plan.

The Candid Vintner

There's been so much hullabaloo about beer lately that its less ram-bunctious sister, wine (we mean, of course, the 3.2 kind), has been woefully neglected in the public press. However, a small investigation convinced us that things are humming with the vintners, too.

The source of our information is Mouquin, Inc., a house that has been catering to the sins of our fathers since before the Civil War. They (we mean Mouquin's) have been having a very thin time of it for the last fifteen years or so, but since April the plants have been in a turmoil, brigades of salesmen have been dashing through the country, and wine is on ice at the central offices for the delectation of visiting journalists. The 55th edition of the Chateau Mouquin Wine List is out: a pitiful shell of the former twenty or thirty-page volume, with but seven items, but still a wine list.

We asked what it is they buy one half so precious as the stuff they sell, but Mr. Goldberg, in charge of publicity, said the details are a trade secret. About all we found out is that the Champagne is *champagnized*, that the Sparkling Burgundy is *carbonated* by a brand-new and mysterious process, and that all of the varieties are blends of imported and domestic wines.

Within a few weeks after 3.2 wine became legal, Mouquin's sold a hundred thousand cases, which is 1,200,000 bottles, which, in turn, is a lot of bottles. But Mr. Louis F. Mouquin, acting head of the business (his father, who was the founder, is nearly ninety and doesn't bother with it much now), doesn't feel any too happy about the 3.2 product, to judge from the manifesto to the American Public signed by him, which is pasted on each and every bottle.

Therein he deplores the necessity for "Man's Manipulation," and hopes soon to be able to sell full-strength, unmanipulated vintages. He says, rather gloomily, of his current list that although "far from perfect, they are better than nothing at all, and I warn you not to expect too much of them."

But, apparently, the customers, de-

spite this brave attempt, refused to be talked out of drinking the depre-cated wines.

Lecture on Tortoise-shell

The oldest tortoise-shell manufac-tory in the United States (in case you're interested) is the Davis firm in Philadelphia, founded over a hun-dred years ago. There are only five such establishments left in the coun-try, most of them having been driven out of business by the production of imitations. Work in the genuine shell requires great skill and patience, and must be done almost entirely by hand.

The only species that is any use to the tortoise-shell craft is the Hawk's-bill Turtle, a sea-goer that lives in the tropics, especially the West Indies. Sometimes they are caught on the shore, during the summer, and some-times they are caught with nets or harpoons from boats with glass peep-holes in the bottom.

The best shell is from the plastron, on the under side of the turtle, which is amber-colored and almost trans-parent, and so thin that several thicknesses have to be welded to-gether to make even the smallest article. This shell costs as much as fifty dollars a pound. It has to be scraped down a good deal, too, to get rid of the scratches, sustained by the original owner in his wandering.

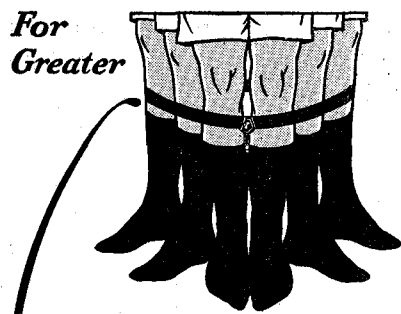
When they start working on raw tortoise-shell, it is first heated so that it becomes malleable. It is then shaped with wooden blocks while it is hot, a good deal as hats are blocked.

The most complicated machine in the shop is the one to cut the teeth in combs. It is so constructed that two sets of teeth—and two combs—are cut at once, and as little as pos-sible is wasted.

A good part of Mr. Davis's busi-ness is repairing articles sent to him from all over the world. This is very delicate work, because exact similarity of color and shading must be achieved. Usually the things are old heirlooms that are wanted for sentimental reasons.

Mr. Davis hasn't much use for the Italian tortoise-shell so many Ameri-can tourists have been tempted to buy. He says it's mostly made of cowhorn, and if it isn't, it's usually just scrap, with no life left in it.

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Greater



Comfort EXTRA LONG STRETCH PARIS GARTERS

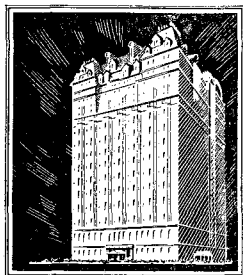
NO METAL CAN TOUCH YOU
Happy legs are here again!

THE very last words in garter comfort: "Extra Long Stretch Paris Garters". The only garter made with the new extra long stretching, long lasting Steinweave Elastic. Encircles six legs easily, yet fits one leg perfectly. No binding—no slipping. A great relief and a great value.

Made in U.S.A. by A. Stein & Company
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BELLEVUE STRATFORD

PHILADELPHIA



This great hotel has long stood as the symbol of Philadelphia's famed hospitality . . . Indeed, to many thousands of people throughout the world, "The Bellevue" IS Philadelphia; because it so graciously blends fine, old tradition with every modern idea that could add to the comfort and enjoyment of its guests . . . And its rates are entirely consistent with present times.

CLAUDE H. BENNETT
General Manager

Occupations

(Continued from page 2)

petus to the Trade Association movement. These associations are composed of the heads of individual industrial, or commercial, organizations, and exist for the purpose of dealing with specific problems affecting their particular industry. Many trade associations cooperate with other trade associations; thus, for example, manufacturers' associations cooperate with distributors' associations, paper associations cooperate with newspaper, printing and book-binders' associations. Problems of mutual interest are dealt with in this manner.

There are two types of "Trade Associations," one being known as the "real trade association" and the other the "limited trade association." The "real trade association," as defined by the American Trade Association's Executives in 1931, is an organization of producers or distributors of a commodity or service upon a mutual basis for the purpose of promoting the business of its branch of industry, or commerce, and improving its service to the public.

The real trade association renders, or is supposed to render, a number of vital services to its members. Among its chief activities are cooperative buying, cooperative advertising, credit service, cost accounting, legal advice, fundamental and market research, news and information service, educational service, standardization of production and distribution processes. "Limited trade associations" are groups composed of a variety of businesses, professional or technical societies consisting of individuals in their professional, or technical capacity, as, for instance, The American Management Association and associations organized for a single purpose such as the promotion of a new industry (e.g. rayon), or undertake research in a given field.

The "real trade association," according to the edicts of President Roosevelt, will now (1) shift its attention from the *development* of production processes to the *control* of production and balancing it with consumption; (2) study employment and personnel problems, their adjustment and stabilization; (3) study service to the consumer instead of promotion.

Under competent leadership trade associations may become a force for good, educating its members to cooperate with each other, with kindred industries, with the Government and with the consumer. Organized primarily to gather facts and to interpret them, to study new uses for products, to devise new and better ways of serving the consumer, for their specific industry, they can become an instrument through which both the industry and the consumer may be served. Like other organizations, they depend for their usefulness upon the motives of those who support them, but competent management can go a long way towards educating its membership to higher ideals.

A trade association, which has to serve and to educate its industry, is staffed with executives and specialists. At its best it affords a fertile field for the brain-worker. The directing executive obviously should have a wide knowledge of economics and be competent to persuade others to cooperative effort. He must be supported by a group of specialists, whose special knowledge must be determined by the industry served. Since emphasis is being shifted to the intricate problems involved in controlling production, in stabilizing employment and in adjusting personnel, and in understanding consumer needs and purchasing habits, trade associations will lean heavily upon the technique and the knowledge of those conversant with the ways and means of handling these problems. Consequently, there should be new occupational opportunities for such professional workers as statisticians, specialists in employment and personnel problems, chemists, engineers, designers, fashion reporters, interpretative writers, consumer research workers, and others.

Membership in trade associations has become more active since the Administration announced its plans for the control of industry. New applications for membership are being received. Inspired by the President's leadership and cooperation, executives of trade associations are beginning immediately to work on new programs. Some trade associations will doubtless have to be reorganized to meet the new demands. New trade associations will have to be formed to serve unorganized industries, whereas some now in ex-

istence may have to merge their activities if they are to serve their membership competently. Professional workers who are interested in the occupational possibilities thus indicated ought to acquaint themselves with the list of trade associations. Though many of these organizations have suffered severe losses of membership since 1929 which have weakened or altogether curtailed their activities, others are performing more vital service to their industries and to the community.

Motion Picture Field

The professional worker who has been trained to teach, write, edit, to engage in scientific or creative work, and who feels that his chosen field is over-crowded or filled with other insurmountable obstacles, will do well to inquire into the occupational potentialities of the motion picture at this time. At a recent meeting in New York City of the Society of Motion Picture Engineers, Mr. W. H. Short, Director of the Motion Picture Research Council, read a paper in which he discussed the "Unoccupied Motion Picture Fields." Mr. Short and his associates have recently completed a five-year study of the influence and the potentialities of the motion picture as it is produced today. This scientific observation reveals marvelous possibilities for its development both in the field of education and entertainment. Their findings will soon be published by the Macmillan Company. The "unoccupied fields" which Mr. Short discussed related to

1. juvenile education
2. juvenile entertainment
3. adult education
4. adult entertainment

The motion picture was first devoted to the entertainment of adults and was intended to please persons of average intelligence. Then such experiments as the Yale Chronicles of America were undertaken for educational purposes, and these films are now used in the classrooms in public schools. Since then a number of films for teaching purposes have been produced. One for use in teaching science was recently shown at Teachers College. But this art and industry is in its infancy and challenges those who would experiment with a new means of imparting knowledge, or providing diversion.

Travel

(Continued from page 5)

her power, of her arrogance, if you will. But it will give you food for thought—and something more. We conclude with a Salamander, the highest salute in student parlance. "Ein! Zwei! Drei!" At "Ein!" we grind our glasses on the table. At "Zwei!" we raise our glasses with three degrees with a roar and sing, and drink. At "Drei!" we bring them down on the table with a rattlety-bang! . . .

Oxford is something like all that, on second thought—internally, we mean. Externally it is nothing at all like any German university, or American one, for that matter. But it houses Young England, in its way, and all that England has been, and will be.

German university men seem older, perhaps because they are more solemn. Oxonians are in the main beetle-browed youngsters, striding along with a gait peculiar to themselves and Harvard, or madly riding bicycles, their rag-tag academic gowns cut off at the waist streaming behind them. Tow-headed, stoop-shouldered, awkward boys, as well as comely Adonises even at Oxford! Fancy! Yes, because Young England is that way. No less casual; no less boyish. It is not easy to look at these youths and think of them doing serious things.

But we have only to take a good look inside the halls, the chapels, the quadrangles and the great characters and deeds of a Great England begin to stare us in the face—so many of them wrought within and by these "boys" of Oxford. The place itself is haunted by some of the most significant scenes in the Cavalcade of England. Amy Robsart was buried here! Cranmer, Ridley and Latimer were tried under this roof! The Bodleian Library! Brasenose college! Wren, Congreve, Pater, Steele, Sydney Smith, Gibbon, Addison, Lord De La Warr (after whom Delaware was named), Wycherly, Dean Stanley, Jeremy Taylor, Blackstone, John Wesley, Viscount Morley, Froude, R. D. Blackmore, Burne-Jones, William Morris, Lord Baltimore (Founder of Maryland), Pitt, Cardinal Newman, Walter Savage Landor, Viscount Bryce, Wycliffe, Adam Smith, Southey, Cardinal

Confidence—and Cash



"The N. I. A. training has taught me how to write a good news story, and why it should be written that way. By applying this knowledge I was enabled, before quite completing the course, to sell a feature story to 'Screenland Magazine' for \$50. That resulted in an immediate assignment to do another for the same magazine. I am now doing fiction and have had one short story published. Previous to enrolling in the N. I. A. I had never written a line for publication, nor seriously expected to do so." Gene E. Levant, 2600 Wilshire Blvd., Los Angeles, Cal.

What makes WRITING ability GROW?

For a number of years, the Newspaper Institute of America has been giving free Writing Aptitude Tests to men and women with literary ambitions.

Sometimes it seems half the people in America who are fired with the desire to write have taken advantage of this offer to measure their ability.

What the tests show

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6-33

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But, for any one of the valid reasons common to this year, not to be going to foreign lands notable for their ancient universities, the universities of these United States offer alternatives that are not lightly to be passed up, either for their antiquity, their traditions or their beauty. A tour of the American universities offers to even seasoned travelers a worth-while treat that would do them no harm in a sabbatical off-year.

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Book Choice

(Continued from page 55)

superb reporter. The long sequence following the birth of the Pinneberg baby is excellent; and scenes such as the one in the hospital waitingroom, concentrating on the expressions on the faces of the waiting husbands, are whimsical and touching; they reveal Fallada's talent at its best. The minor characterizations, including Pinneberg's mother, and the mysterious Herr Jachmann, suggest Dickens, if it is possible to imagine a Dickens who got his effects by under-statement.

Coming at this time, when the headlines from Germany are so incoherent and so troubling, "Little Man, What Now?" exhibits an advantage of the novel ordinarily overlooked. For with all the awkwardness as a literary form, its almost unavoidable blank passages, its cumbersome machinery of narration and dialogue, the novel can give us a picture of reality complete and documented beyond that of any other form of communication. In the case of "Little Man, What Now?" it powerfully suggests what the news from Germany actually means in the day-to-day life of ordinary individuals; it brings the headlines down to earth, so to speak, and forces us to think of the effect of happenings on people like Pinneberg and Bunny.

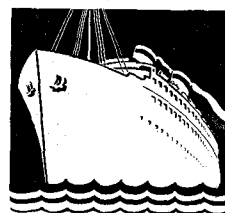
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The novel also suggests some interesting questions on the writing that the depression has called up. The resignation and the perplexity of the Pinnebergs is not only true in the sense that it reflects the attitude of vast numbers toward what happens to them; it is also in the line of a literary tradition. The two great social catastrophes of modern times—the World War and the Great Economic Crisis—have produced a whole library of fiction of the most varied types; there have been convincing pictures of mass suffering, of mass starvation and death. But the novelists have written of this suffering with bewilderment or despair, not with the eloquence, the passion and the hatred that the full horror of our own times seems to demand. It would be artistically more satisfying if Pinneberg should raise his voice, somewhere in the course of the story, in a cry of wrath against the forces oppressing him. It might be more than his social equivalent would do, but it would be no less stirring and poignant for that fact.

FROM COMITÉ DES FORGES

Editor, NEW OUTLOOK

Dear sir,

ALLOW ME TO TELL you what a painful surprise it was to us to read in the February number of the NEW OUTLOOK an article entitled "What Does France Want?" by Mrs. Dorothy Dunbar Bromley.

The author of the article in question pretends that during the hostilities of the World War Messrs. de Wendel had opposed the bombardment of the Briey Basin (1) from which the Germans extracted part of the iron they needed for their army. This affirmation is absolutely wrong and does not take into account the facts as they stand. *As a matter of fact, it has been proved for one thing that the Germans did not need the de Briey output for war material.*

... Moreover in order to prove their absolute loyalty to the national cause and their indisputable spirit of sacrifice, the *Comité des Forges de Meurthe et Moselle* addressed to M. Ribot, then prime minister, a letter (dated April 30th, 1917) in which the following paragraph is found:

"... And we content ourselves by telling you once more, Mr. Presi-

dent, that our guns and our airplanes can destroy our factories and mines; we will be the first to bow before the inevitable if the sacrifice of our property can hasten the victory by one hour."

These precise facts suffice to destroy the legend which some people tried to create, and can be moreover verified in the public records of the Commission created in the Chamber of Deputies to examine the question. (Chamber of Deputies, Session of 1919.)

The accusations concerning the profits obtained by the metallurgists from the liquidation of the Lorraine mines are equally untrue—both as to the groups mentioned and as to the substance.

The *Comité des Forges* never participated in this transaction which interested only indirectly Messrs. de Wendel who acquired a very small share in the *Société de Knutange* alone. The author of your article states that the difference between the German appraisal of these factories and the price received by the French Government holds a large place in the Franco-German discussions on reparations. Now (1) it was precisely the German tax evaluations which were used as the basis for the figures of the "Consulting Committee on Sequestrations"; (2) the price at which these factories were ceded was even above the total of these evaluations; (3) in fact no part of said price was ever received, or to be received, by the French Government, the Peace Treaty having instituted a special procedure of payment, the mechanism of which it would be too long to explain here; (4) this question was never even mentioned in the French-German negotiations concerning the reparations.

The allegations relating to a loan to Hungary by France, a loan which was supposedly used to pay Hungary's bill for war material and equipment to the Schneider Firm, is also absolutely erroneous. This firm has never delivered any war material to Hungary. This is proven by two statements made by the Minister of Finance, in the French Senate on March 24th, 1932, and in a speech delivered at Caudéran on April 24th, 1932.

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says that through him, the French metallurgists succeeded in keeping the Saar Coal, so as to crush their German competitors. This statement, thus expressed, is false and misleading. The reasons which made this decision imperative in the Peace Treaty are different, and quite simple: France, whose Northern Collieries had just been systematically destroyed by the Germans, had lost for some time its principal source of coal supply. On the other hand, its needs were increased by the return of the Lorraine mills to the homeland. The attribution of the Saar Collieries to France was therefore an act of mere justice, and strictly necessary. In addition we may point out that this decision did not in any way interfere with the normal functioning of German factories, as their coal supply is provided by the Ruhr basin.

The other arguments put forth against the *Comité des Forges* are still less pertinent, and do not even concern them. However, as this Committee has, against their will, been brought into the question on two other counts, we beg permission in the name of truth to answer that *it is untrue that French aluminum was ever sent to Germany during the war. It is equally untrue that 6,000 tons of ferro-silicium were transported from France to the Krupp factories.* As matter of fact, 30 tons in all were delivered to Krupp by French factories and the last delivery was made on July 24th, 1914. The Austrian declaration of war to Serbia, as everybody remembers, was made on July 28th. It is also to be noted that before the war ferro-silicium was never considered as being of use in war manufactures.

These are some of the points in the article which we thought it our duty to bring to your attention. It is impossible to answer the other vague insinuations destined to serve private interests and which are aimed at the general policy of our country. We merely wish to point out the absurdity of attributing to the influence of the *Comité des Forges* the decision of the numerous governments of the Right or of the Left Parties which have been in power since 1918.

Truly yours,

LAMBERT-RIBOT,
Délégué Général du
Comité des Forges.

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